

NATIONAL ANIMAL IDENTIFICATION SYSTEM

**PUBLIC MEETING ON PRIVATIZATION OF
ANIMAL IDENTIFICATION**

TRANSCRIPT OF PUBLIC MEETING

Radisson Hotel & Suites
1301 Wyandotte Street
Kansas City, Missouri 64105

Wednesday, October 12th, 2005
8:30 a.m.

ATTENDANCE:

Dr. John Clifford
Dr. Neil Hammerschmidt
Dr. David Morris
Mr. John Wiemers
Mr. Jim Rogers

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1 PUBLIC MEETING

2 MR. ROGERS: Good morning, everybody. I would
3 personally like to welcome you to the Kansas
4 City Radisson Hotel on this fine day to talk
5 about the National Animal ID System. The way
6 this will work this morning is we're going to
7 have Dr. John Clifford, the Deputy
8 Administrator for Veterinary Services with
9 the Animal Plant Health Inspection Service,
10 get up and give an overview presentation of
11 exactly where we are right now with that
12 program. After which time, we're going to
13 open the floor up for statements. We're
14 going to have an initial statement from Dr.
15 David Thain, with National Assembly of State
16 Animal Health Officials, and then we're going
17 to start going down the lists from which you
18 signed in and take testimonials. Right now
19 we've got scheduled about three minutes per
20 speaker. I've got one of those little red,
21 yellow and green lights, just like on line
22 order. So we'll let you talk, and be brief,
23 and then it will start flashing, and then it
24 will turn yellow, and it will turn red, and
25 then I'll press a button and the floor will

1 drop and you'll be out of here. So it's the
2 easiest way to do these things. We choose
3 sometimes to do the testimonial's portion of
4 the meeting. What we'll do is we'll call
5 five names and there are five seats right
6 here up front that are reserved. Just come
7 on up and have a seat, and then you can come
8 up to the podium and we'll do this. Of
9 course, this is a federal meeting, so it's
10 all public record and there will be
11 transcripts available, hopefully sometime in
12 the next few days after the meeting is done.
13 We also will be taking written testimonial if
14 three minutes isn't enough or you just want
15 to add something later. We'll be taking
16 those for a few days after this meeting at
17 our headquarters in Maryland, so you can
18 always send them to us or e-mail and we'll
19 get them that way. After the testimonials,
20 we're going to take a break and then we're
21 going to come back and hopefully answer some
22 specific questions from the audience. And I
23 think that covers it, so we're going to go
24 ahead and get started with Dr. Clifford's
25 presentation.

1 DR. CLIFFORD: Thanks, Jim, and I wanted to
2 begin by thanking everybody. I appreciate
3 you attending this meeting today. I don't
4 want to bore any of you that were at the NIAA
5 Meeting, but a lot of what I said there will
6 be a repeat. So if you were there at that
7 particular meeting, please bear with me.
8 Also, I wanted to say that I had a lot of
9 questions about what our objectives are with
10 this meeting. Our objectives is to share
11 information with you, for us to listen to
12 your concerns, and basically that's about it
13 for this meeting because there is no intent
14 on our part for this to come together on the
15 private sector. There was no expectation
16 that you would come away from here as formed
17 group and the development of a private
18 database, and in our mind, this is the
19 beginning of that initiative. So with that,
20 we'll get started. Again, I want to start
21 off by saying on August 30th, 2005,
22 Agricultural Secretary, Mike Johanns, our
23 USDA's guiding principals for a development
24 of the public/private partnership that
25 enables the private sector to maintain an

1 animal movement data as part of the National
2 Animal Identification System. Again, the
3 purpose of this public meeting is to discuss
4 the processes, responsibilities and general
5 guidelines for having the animal movement
6 tracking database established in the private
7 sector. It's important to acknowledge the
8 overall animal ID plan as defined by the NAIS
9 draft program standards other than animal
10 movement database remains unchanged. And the
11 discussion today will focus on the
12 privatization of the animal movement tracking
13 component. Before I discuss that part, I
14 would like to review some key points on the
15 system as we all understand it today. It's
16 always important to reemphasize the fact that
17 the focus of NAIS is animal health. A long
18 term goal is to be able to identify all
19 premises that had contact with foreign animal
20 disease or other disease of concern within 48
21 hours of discovery. A 48-hour goal requires
22 the capability for both trace back and trace
23 forward of animals' adventures. Trace back
24 refers to the tracking of an animal location
25 over its life span in determining which

1 animals may have been in contact with a
2 diseased animal or shared contaminated feed.
3 Trace forward data provides locations of
4 animals moved from a premises of concern that
5 may have been exposed to the disease.
6 There's three central components that make
7 the NAIS effective. First, the National
8 Premises Identification System is needed. To
9 track animals, we must know where they were
10 born and where they're moved. The second is
11 the Animal Identification System is needed to
12 identify and track animals as they move from
13 premises to premises. Animals will be
14 identified either individually with the
15 unique animal identification number or with a
16 group lot identification number. Finally, an
17 animal tracking component is necessary. As
18 animals move from one premises to another, a
19 few basic pieces of information must be
20 collected. Our ability to achieve 48 hour
21 trace back objective will be directly
22 affected by the position of movements that
23 you're able to report. When Secretary
24 Johanns made the announcement regarding the
25 private tracking database, he offered four

1 key guidance principals for NAIS. The system
2 must be able to allow the tracking of animals
3 from the point of origin, processing within
4 48 hours, without unnecessary burden to
5 producers and other stakeholders. The
6 systems architecture must be developed
7 without unduly increasing the size or role of
8 government. The system must be flexible
9 enough to utilize the existing animal
10 identification technologies, incorporate new
11 identification technologies as they are
12 developed. Fourth, the animal movement data
13 should be maintained in a private system that
14 can be readily assessed, when necessary, by
15 state and federal animal health authorities.
16 NAIS was initiated in May of 2004, when the
17 animal health inspection service attained its
18 initial 18 million dollars in commodity
19 credit corporation funds. I would like to
20 review with you some of the achievements from
21 the program thus far. We have made great
22 progress with NAIS. The first priority has
23 been the premises ID system. 50 states, two
24 U.S. territories and five Native-American
25 tribes are currently operational on the

1 premises registration. There are over
2 126,880 premises registered across the U.S.
3 today. You know, that's a small fraction of
4 all the premises that exist in the U.S., but
5 it's a good start. In November of 2004, the
6 interim rule established the 840 number as an
7 official identification number for NAIS. The
8 840 number is a unique 15 digit
9 identification number. It specifies the
10 animal's country of origin through three
11 digits within the 15 digit number. 840 means
12 the United States. The 840 number is being
13 integrated in some of our existing animal
14 disease programs, including those with
15 scrapie, chronic wasting disease, and bovine
16 tuberculosis in Michigan. One of the four
17 guiding principals as the secretary has
18 identified is that the department will be
19 technology neutral. In that, the government
20 will not mandate a particular identification
21 technology to be used. However, we know full
22 well that uniformity and compatibility of the
23 technology is critical to ensure the
24 collection of animal ID is practical and cost
25 effective throughout the preharvest

1 production chain. Therefore, it is
2 appropriate that minimal performance
3 standards be established that will allow
4 qualifying technologies to be used. Such
5 standards will be recommended by the species
6 working groups and the NAIS subcommittee and
7 finalized by APHIS to allow the use of
8 technologies that meet the needs of industry,
9 while providing adequate information for
10 tracking of animals within the desired time
11 frame. The NAIS subcommittee then advises
12 the Secretary's Advisory Committee on Foreign
13 Animal and Poultry Diseases and APHIS reviews
14 those recommendations that come before the
15 committee. In terms of what works best for
16 the marketplace, the industry should decide
17 on that rather than the government. For each
18 species that utilizes individual animal ID,
19 the USDA will authorize the use of the 840
20 AIN ID technology through this stakeholder
21 process to ensure the use of technology is
22 driven by industry stakeholders and the
23 performance standards they deem necessary.
24 Any new or additional technologies in the
25 future will follow the same approval process.

1 This approach, we believe, will ensure new
2 technologies are integrated as timely and
3 practical as possible. The cattle working
4 group has established performance
5 requirements for automated data collection
6 systems and technology standards,
7 specifically, ISO 11784 and 785 for radio
8 frequency identification. The RFID
9 transponder, which will be encased in a
10 tamper proof ear tag containing the AIN. The
11 combination of RFID with the tamper evident
12 tag is called the AIN/RF tag. Distribution
13 of those tags for cattle will begin as soon
14 as this fall. As other species working group
15 finalize their reports and recommendations,
16 the USDA will move forward with approval of
17 ID technologies for other species. On May 6,
18 2005, APHIS published drafts of our strategic
19 plan and program standards, which have been
20 developed over two years of collaborative
21 efforts and asked for public comments. Since
22 then, we've reviewed nearly 600 comments on
23 these documents. Most of the comments
24 reflected overall support for NAIS and were
25 related to the time lines involved in

1 implementation, a mandatory versus a
2 voluntary system and a private animal
3 tracking database. Overall, the responses
4 indicate general support of NAIS as
5 presented. In fact, 44% of the responders
6 were supportive, only 39% opposed. With
7 regards to the time line on the draft
8 strategic plan, 34% thought they were too
9 aggressive, 34% thought they were too lax and
10 that we should implement NAIS more quickly,
11 33% supported the time line as presented.
12 When asked whether NAIS should remain a
13 voluntary program or become mandatory, 34%
14 supported a complete voluntary program, 12%
15 supported the phasing into a mandatory
16 program, and 54% supported a mandatory system
17 from the start. With regards to the private
18 animal tracking database, there was support
19 for both the federal and a private animal
20 tracking database option. Of all
21 respondents, 36% supported a private
22 database, while 48% supported a federal. Of
23 all producers, though, 54% supported a
24 private database, while 39% supported a
25 federal one. Among cattle producers, 60%

1 supported a private database and 33% a
2 federal. Now, I would like to spend a few
3 minutes on some key issues regarding the
4 future of NAIS. First, I would like to
5 reemphasize the need for support from the
6 USDA to have industry input through to the
7 system. As the USDA moves forward with the
8 development and implementation of NAIS,
9 stakeholder input will continue to be a vital
10 component. Current stakeholder review and
11 input structure will remain in place.
12 Stakeholders, through the species and issue
13 based working groups, U.S. Animal Health
14 Association, or the National Institute for
15 Animal Agriculture, and many other
16 organizations make recommendations to the
17 NAIS subcommittee, which then advises the
18 Secretary's Committee on Foreign Animal and
19 Poultry Diseases, as well as USDA APHIS
20 Veterinary Services. The NAIS subcommittee
21 provides overall program recommendations,
22 reviews and acts on species working groups
23 reports, and as in indicating reports to the
24 secretary's advisory committee. This overall
25 structure ensures that stakeholder input is

1 considered throughout the development and
2 implementation, ensuring both a practical and
3 effective national identification program.
4 For those of you that may not know this,
5 anytime the secretary's advisory committee
6 meets, that is a public meeting in which any
7 of you are welcome to attend. The
8 subcommittee is comprised of state animal
9 health officials and industry
10 representatives. I'm not going to read
11 through the list. The committee has spent an
12 extensive amount time since their
13 appointments. And I personally would like to
14 thank members of the subcommittee for their
15 continued leadership and ask that they stand
16 to be recognized at this time. So
17 subcommittee members, would you please stand?
18 Just those of you in the crowd here. Thank
19 you for your time and efforts. We appreciate
20 you being here, as well. Also, I would just
21 like to take a moment, most of you are a part
22 of working groups, species working groups.
23 Would you all stand, as well? Thank you. I
24 appreciate you all being here, as well. And
25 I think that this shows the amount of

1 representation in this room with regards to
2 this process. The subcommittee represents
3 USDA's commitment to the federal/state
4 industry partnership with the development of
5 NAIS. It's important to understand that the
6 subcommittee will continue to provide overall
7 program recommendations for the program. The
8 private database issue does not interfere
9 with their overall responsibilities.
10 Privatization of animal movement tracking
11 database is a significant issue, one that the
12 department takes very seriously. We
13 certainly acknowledge the views regarding the
14 privatization of the animal movement and
15 tracking database vary. However, we do feel
16 that privatization of this information will
17 help us achieve our end result while
18 strengthening our partnership with the
19 industry. The USDA will be at the table to
20 participate in future dialogues to the degree
21 requested by the industry. So basically,
22 we'll help you in any way we can from a
23 standpoint of facilitation and collaboration.
24 And again, let's keep in mind that the
25 overall program has not been altered. I want

1 to clarify that other than moving the animal
2 movement tracking database or repository for
3 the private sector, no change is being made
4 to the NAIS plan as presented in the draft
5 program standards of May, 2005. The private
6 database being discussed today for the
7 purposes of NAIS is for animal movement
8 records only, for example, moving in and
9 moving out of the premises. Animal health
10 events associated with animal disease
11 programs, disease testing and program
12 vaccinations, et cetera, will obviously
13 continue to be maintained by the existing
14 state and federal animal health monitoring
15 system, including certificates of
16 veterinarian inspection for interstate
17 movements. In order to avoid conflict with
18 the Federal Advisory Act, the USDA will
19 develop a memorandum of understanding with
20 the legal industry entity that will provide
21 the overall, oversight and development of the
22 animal movement repository. The industry's
23 responsibility for organizing important -
24 sorry. Let me back up. The industry will be
25 responsible for formulating and organizing

1 this legal entity. Again, the USDA and state
2 animal health officials will serve in an ex-
3 officio role as requested. State and federal
4 governments will provide to the NAIS
5 specifications it must achieve in this
6 private system. The data standards, for the
7 most part, have already been established in
8 the NAIS draft program standards. Systems
9 specifications that define technical
10 requirements for the liability or
11 dependability of the system. Parameters for
12 risk management and security will be
13 established by USDA standard information and
14 technology working group. Actually, that
15 group, I think we did one at our last
16 meeting. Didn't we? USDA envisions a
17 privately held animal tracking repository
18 that state and federal animal health
19 officials can access 24/7 by submitting
20 inquiries necessary to perform their duties.
21 There are to be no access or user's fees to
22 the state or federal agencies for the use of
23 that system. Premises registration system
24 and AIN management system will continue to be
25 operated by APHIS, as this illustrates. As

1 stated earlier, the information systems
2 maintained for animal health, the generic
3 database, the emergency response system, and
4 the Veterinary Services Process Streamlining
5 System are used for all of our permits,
6 remain unchanged. Keep in mind, the ICVI is
7 a permit that enables animals to move
8 interstate. It does not provide a true
9 record of animals' actual movement. I don't
10 have a pointer. I just wanted to point out
11 to everybody that these are currently
12 databases within the federal government.
13 This system here is one that's being
14 developed for interstate and international
15 movements. So when we talk about interstate
16 health certificates not being movement
17 records, there are documents of health for
18 movement. It doesn't mean that the movement
19 actually occurred. That's why you actually
20 have to have the movement occur before that
21 actually is becoming movement records, so we
22 don't count that as a movement record. We
23 count the actual movement as a movement.
24 There is state databases that we will have to
25 access. I think Dr. Thain will probably talk

1 a little bit about that, but there's at least
2 probably in the neighborhood of 15 states
3 that will track their own data within their
4 states. A number of those states have actual
5 laws that will not allow them to provide that
6 data to a private system. So there's
7 probably in the neighborhood of seven to
8 eight that has those laws on their books. So
9 the change in the NAIS information system is
10 that animal health officials will access the
11 animal tracking data for repository operated
12 in the private sector similar to data
13 diagrams in the NAIS program standards will
14 continue to see multiple industry databases
15 feeding the industry depository that state
16 and USDA have access for animal health
17 issues. While we acknowledge various
18 database architectural solutions could prove
19 successful for the private system, the
20 industry government partnership must ensure
21 their ability to maintain animal health is
22 not compromised. So basically, you see the
23 whole thing there, you're going to have
24 information flow for animal movements into
25 the state databases. And those states that

1 collect it, probably in the neighborhood of
2 15, are also going to have information flow
3 from all of these sources into these
4 privately held systems that hopefully will
5 feed into one private system. And I think
6 when we get into the question/answer session,
7 what we'll do is we will put this slide back
8 up in case there's answers to your questions.
9 It is critical that USDA access is privately
10 maintained through one interface or portal.
11 While it is not feasible for USDA to access
12 multiple independent or stand-alone systems,
13 this does not preclude the industry from
14 maintaining the species and/or program
15 databases. The industry group will determine
16 the configuration of the private system,
17 including the relationship with industry
18 databases. Again, we will provide data
19 standards and criteria for accessing the
20 private system, including risk management
21 factors, but the solution itself will be the
22 responsibility of the industry. It's
23 imperative that progress continues. USDA is
24 committed to a timely implementation of this
25 system. In particular, components of NAIS

1 are already well defined and strongly
2 supported. For instance, registration and
3 animal identification alone can provide
4 enormous benefits to the animal disease
5 program capabilities. So therefore, the USDA
6 will examine how fast to move forward
7 aggressively for the premises and animal
8 identification components. For the reporting
9 of animal movements, we must continue to work
10 collectively to resolve the challenging data
11 collection industry questions, including the
12 capability of the technology, costs, that is
13 how it will be paid for. However, we will
14 leave the voluntary collection and reporting
15 of animal movement records should be
16 initiated in as timely a manner as possible,
17 including the development of the private
18 animal movement data repository. Yes, we
19 have valid issues to resolve and I'm sure
20 we'll have stimulating debates, but we must
21 keep our focus and achieve the basic
22 fundamentals for this critically important
23 program. This is our industry and our
24 future. Cooperative efforts among industry,
25 states, and federal agencies remains

1 essential. Progress must continue during
2 discussions and the debates on issues that we
3 might see differently. The USDA is committed
4 to making progress as we build our
5 collaborative efforts with the states and
6 industry. Again, thank you. At this time,
7 I'll turn it back over to Jim.

8 (Applause)

9 MR. ROGERS: Thank you, Dr. Clifford. At this
10 time, I would like to ask Dr. Thain to come
11 on up. He has a brief statement he wants to
12 give and then we'll get started with the
13 opening testimonials.

14 DR. THAIN: Thank you very much. I'm Dr.
15 David Thain. I'm a state veterinarian from
16 Nevada, but why I'm here today is I'm the
17 President of the National Animal Health, the
18 national organization, the National Assembly
19 of State Animal Health officials representing
20 all 50 state veterinarians and health
21 officials. How many state veterinarians and
22 state veterinarian representatives are in the
23 room? If you would just raise your hands.
24 Quite honestly, we're the 800-pound gorilla
25 in this room. We collectively get together

1 and agree on something. We're a bunch of
2 independent cusses, but I think most of us
3 are collectively behind this whole animal ID
4 project because we use animal ID on a day to
5 day basis. And for years, we've been working
6 on paper and computers and a variety of
7 avenues and this is a real opportunity for us
8 to come together for that ultimate goal of
9 that 48-hour traceability. I want to start
10 off by saying let's don't squander this
11 opportunity for animal ID. There's a lot of
12 means for this to get kind of sidelined and
13 drawn out further and we can't do that. We
14 have to continue to move forward. Look at
15 this as another opportunity. And then also I
16 would like to challenge you, as the industry
17 group, to come together as an entity in a
18 very, very rapid fashion, so we can get
19 moving forward with this project. I don't
20 want to see three or four years from us
21 having another meeting still arguing about
22 what that entity is and when it's going to be
23 done. We've got to move forward with it.
24 Quite honestly, the majority of the state
25 veterinarians do not care where that data is

1 housed as long as we have access to it. That
2 requires a 24/7 access on something that we
3 have to pick up with somebody, but through
4 the electronic system, be able to pick it up
5 in a very rapid fashion. We had a meeting
6 hosted with USDA two weeks ago with the state
7 veterinarians to hammer out what some of our
8 minimum needs are. And I would like to share
9 what some of those minimum needs are. Now,
10 where we need access to that system, and it's
11 got to be on a 24/7 basis. A proof positive
12 test for foreign animal disease. And these
13 are nonnegotiable, the first four. Animal
14 disease emergency is determined by the
15 Secretary to Agriculture or the State
16 Department of Agriculture and the state
17 animal health official because there's 13
18 states where the animal health programs don't
19 fall under the State Department of
20 Agriculture. The need to conduct a trace
21 back to determine the origin of the infection
22 for the pertinent disease. We've been very
23 successful over the years eradicating
24 brucellosis, working on TB, rabies, and we
25 continue to have issues arise as you all have

1 seen, in Wyoming and the Yellowstone area
2 with brucellosis, with TB, sodium TB, so it's
3 important that we continue to have that kind
4 of information to do rapid work. And the
5 need to conduct surveillance for another
6 domestic disease or many diseases. Over the
7 past several years, we've seen a variety of
8 diseases throughout the United States that
9 are emerging. The following three other
10 avenues for reasons to get into that database
11 are important and are open for negotiation.
12 One of the big ones is the availability that
13 they have for validating ownership. Many
14 times, we are asked to trace back owners to
15 try to identify these animals and with we've
16 seen with Katrina in Texas, Louisiana,
17 Mississippi and Alabama, again, we need that
18 kind of information to validate who owns
19 which animals. In compliance issues. With
20 regards to state and federal movement
21 restrictions, it would be very important for
22 us to be able to validate how well our rules
23 and regulations are being followed by
24 accessing this database. And again, that
25 uninterrupted 24/7 access for our state

1 officials to be able to get into it. Right
2 now the western states, typically known as
3 the western grand states, has pretty good
4 movement tracking systems in place that
5 infrastructure. It's not electronically
6 accessible at this time. The majority of
7 cases, it's all paper-driven. And a lot of
8 those states have the confidentiality in
9 place. This data cannot be shared with the
10 private system. Now, whether there's
11 opportunities to change legislation to
12 integrate that or better yet, to integrate in
13 the federal tracking system, we'll have to
14 see as time revolves. One of the big issues
15 that we as state animal health officials are
16 concerned about is the funding. We continue
17 to rely on the federal government through
18 cooperative agreements that maintain and
19 develop the premises registration system and
20 we will need to continually to have those
21 funds to continue to update these databases.
22 On most of our states, we're seeing anywhere
23 from 15 to 30% rollover on an annual basis on
24 premises registration and so it's going to
25 require an annual update. The states are in

1 better position to do that annual re-
2 registration to make sure that data is
3 correct because there's nothing worse than
4 trying to track down an animal through a
5 premise that the ownership has changed and
6 the contact information has changed. And
7 what our concerns are is the private entity,
8 whatever it may be, may make a run at USDA
9 funding and have pots only so deep, and we
10 hope that has not occurred because quite
11 honestly we, these states cannot maintain
12 these databases without, the premises
13 registration database, without the
14 cooperative making money. Again, we
15 challenge you as the collective private group
16 to come together as one entity in a very
17 rapid fashion. If 50 state veterinarians can
18 do it, I think that you as a collective group
19 can come together, put your differences aside
20 and leave the egos at the door and hammer out
21 what we need to have. There's an opportunity
22 for you here to set the example that it can
23 be done and it can be done very rapidly and
24 cost effectively. I would also challenge
25 that we need to come up with a time line for

1 getting this in place. What I don't want to
2 see is us be back here in three years and
3 wondering why we haven't got where we need to
4 be. We need to also continue toward the
5 implementation of that time line to move
6 forward. One of the issues that we have
7 stated in addressing is this confidentiality
8 of the data. If this data goes forward into
9 the federal system, whether it be in the
10 private or otherwise, there's going to be
11 questions of confidentiality and I would
12 encourage USDA to continue to examine that
13 confidentiality issue and if necessary, seek
14 legislation to protect that information and
15 also you as the industry groups to seek for
16 that national level of confidentiality, so
17 that our producers are comfortable in the
18 participation of this animal tracking. As we
19 mentioned before, there's some numerous state
20 databases out there that will have to
21 integrated into the system, stuff that we do
22 on a day to day basis. I don't know if all
23 of you are familiar with how we use the
24 animal tracking with animal health records
25 every day that we do our day to day

1 businesses. And finally, again, let's don't
2 squander that opportunity to get a national
3 state of the art system in place that will be
4 the international leadership of animal ID
5 tracking. And I want to thank the USDA for
6 the opportunity to be here today.

7 (Applause)

8 MR. ROGERS: Thank you, Dr. Thain. At this
9 time, we're going to open the floor to
10 speakers. What I would like to do is I'll
11 call five of you and if you would come on up
12 front there are reserved seats on the left.
13 So I'd like to start with Danita Rodibaugh,
14 and I apologize in advance for of the
15 pronunciations given here today, Joy
16 Phillippi, Scott Stuart, Rick Willer and
17 Caren Cowan. Would you please come up and
18 have a seat there on the left. And Danita
19 will come right up to the podium, we can
20 begin with the testimonials. We are going to
21 try and keep this limited to three minutes.
22 We have a lot of folks that decided to speak
23 today. So like I said before, we have a
24 little red, yellow and green over there.
25 Green will start flashing, then the yellow,

1 then the red will come on. So please,
2 Danita, go ahead and begin.

3 MS. RODIBAUGH: Thank you for the opportunity,
4 Dr. Clifford and others. Good morning. I'm
5 Danita Rodibaugh. I'm a co-producer from
6 Indiana and I am President of the National
7 Pork Board. The National Pork Board is
8 funded with contributions for the purpose of
9 benefitting all producers through research,
10 education and promotion. Here is my
11 understanding of where the issues of animal
12 ID have been to date. President Bush
13 indicated that homeland security presidential
14 directives as part of a critical national
15 infrastructure that deserves protection in
16 the public interest. In April of 2003, USDA
17 established a national animal ID development
18 team that produced a U.S. animal ID program.
19 The purpose of that effort as even included
20 in the U.S. AIP logo was to protect animal
21 agriculture. Representatives from animal
22 agriculture industry went through the process
23 of building consensus with USAHA and NIAA to
24 support an ID system that would protect
25 animal agriculture. USDA said at the time

1 that certain animal ID gathering would at
2 least be held by USDA and the USDA funded a
3 maintained database. Support industry ID
4 working group worked through our swine
5 identification process based on that
6 information, and it received the pork
7 industry consensus that promotes our species
8 specific approach to enhance swine ID within
9 the national animal ID system. Species
10 specific within NAIS means, number one,
11 species groups will develop the ideal ID
12 system for their species. Number two, the
13 data is available to government officials as
14 needed within the 48-hour hold. Number
15 three, all species must participate. Number
16 four, reporting efforts can be justified by
17 adding values to the specific industry. And
18 number five, pork producers will not bear
19 additional costs over what we bear today.
20 Now, in July of 2005, USDA press release,
21 "The secretary has proposed to involve all
22 species are privately held in a privately
23 funded database," but during the initial USDA
24 animal ID listening sessions commentators
25 presented their opinions on confidentiality,

1 liability and cost. It's our understanding
2 that USDA supports the species specific
3 approach to animal ID because of many
4 different issues specific to the individual
5 species. The discussion of the pork industry
6 ID working group acknowledged that certain
7 species groups may want to pay for their
8 specific plan for charging their producers
9 for the cost. Assuming that all species
10 should be handled in the same way, there
11 would be the same way for supporting the
12 database is not the conclusion the pork
13 industry and ID working group came to. The
14 pork industry looks forward to working with
15 the USDA to resolve these issues and achieve
16 their goals. Thank you.

17 MR. ROGERS: Thank you, ma'am. Joy Phillippi.

18 MS. PHILLIPPI: Good morning. My name is Joy
19 Phillippi. I'm a pork producer from
20 Nebraska. I currently service with the
21 National Pork Producers Council and I am a
22 member of the pork industry identification
23 working group. I would like to thank you,
24 Dr. Clifford, and the department for holding
25 this very important meeting. Protecting the

1 health of the nation's livestock herd is a
2 priority of pork producers. The pork
3 industry set policy that asked for mandatory
4 premises registration by 2007 made mandatory
5 animal identification for round-up species by
6 2008. We have had mandatory ID system in
7 place since 1988. This system requires that
8 all swine interstate and international
9 commerce be identified and records concerning
10 these numbers must be reported to federal and
11 state government databases. These
12 requirements are part of the successful
13 pseudorabies eradication program developed by
14 producers in cooperation with states and the
15 USDA. The ID requirements used in this
16 program have been accepted by producers and
17 the cost of that program are part of our
18 state's business practices. Swine producers
19 have populated the enhancement of the current
20 system, registry of premises and adopted the
21 numbering systems as we see in the NAIS
22 standards, will achieve the 48 hour trace
23 back goals. We're willing to work with the
24 USDA to continue to enhance in our swine ID
25 system. They've already taken steps to start

1 addressing these issues. In August, the USDA
2 announced that they envision a system that
3 requires all industry databases to be the
4 single privately held animal tracking
5 repository that all departments could access.
6 That announcement signaled that USDA's
7 thinking has changed. We believe that the
8 USDA proposal now implies that the cost of
9 the database will be primarily borne by
10 producers. The pork industry supports an
11 effective swine database successful by both
12 federal and state animal health officials
13 without producers having to pay tremendous
14 additional costs. We do expect the federal
15 government to fund whatever it sees as
16 mandatory enhancements to our current
17 program. Requiring the pork industry to
18 participate in this single private species
19 database will be both costly and redundant.
20 Pork industry leaders have met on several
21 occasions with livestock groups, with -
22 embrace the privatized database systems.
23 Producers thought through at this time,
24 that's a cost-effective solution for us and
25 we believe that we have a program that works

1 and we should move forward with that. What I
2 would like to do is just in summary say that
3 the pork industry believes that the USAIP
4 program needs to be species specific. Going
5 around the existing system with necessary
6 enhancements can achieve with little or no
7 extra costs to producers. We see no reason
8 at this time to reinvent the whole swine
9 industry. Thank you for your time this
10 morning and allowing me to share the thoughts
11 of various pork producers.

12 MR. ROGERS: Thank you, Joy. Scott Stuart.

13 MR. STUART: Good morning. My name is Scott
14 Stuart and I'm commenting on behalf of the
15 National Livestock Producers Association.
16 Our organization represents cooperative
17 livestock markets nationwide and handles some
18 seven and a half million head of livestock
19 with 200,000 individual livestock producers
20 annually. I, like many in this room, have
21 been involved in the planning process for a
22 national animal ID system for quite some
23 time. Today we are here to discuss and,
24 perhaps, try developing a private animal ID
25 system providing all the stakeholders

1 information to own and manage a database that
2 will be the repository for animal movement
3 information crucial to animal health trace
4 back and trace forward. It has been
5 suggested that such a private database would
6 provide benefits in the form of additional
7 data security and confidentiality, as well as
8 vast opportunities to gain value and profits.
9 Perhaps, this is why this secretary has
10 announced the database should be privatized.
11 I submit, however, there are many, many
12 questions that need to be answered before
13 such a course is set. Two weeks ago in
14 Chicago, 2005, some 550 stakeholders and
15 visitors were in attendance. At that
16 conference, numerous questions and concerns
17 were raised regarding the privatized database
18 and consortium. For example, how will such a
19 consortium be constructed, so that all
20 species and all segments involved are clearly
21 represented. How will the consortium be
22 funded? How will a privatize database, how
23 much will it cost to develop and operate it?
24 And more importantly, how will it be funded.
25 If movement of the database to a private

1 consortium, the first step in moving the
2 entire system to the industry to both operate
3 and fund. What additional liability will be
4 shifted to the private consortium as a result
5 of challenges regarding property and existing
6 paths. I know there will be many more
7 questions raised at this meeting and there
8 should be. I submit that it is not a given
9 that the data would be any more secure,
10 confidential or indeed more valuable in a
11 private database. That is yet to be proven.
12 Last year during the USDA listening session,
13 somebody commented on behalf of our
14 organization that indicated that he would
15 support an entity that was truly an industry
16 driven and government entity to be able to
17 operate a system. Does that mean that I
18 support, on behalf of our organization, the
19 current USDA course of action? Perhaps and
20 perhaps not. If an entity can be formed that
21 is truly representative of all of us in the
22 culture and if that entity is thoroughly
23 investigates the results of all potential
24 liability issues and if the government seems
25 to be an active participant in helping to

1 develop a private necessary structure, it
2 could be a workable solution. In closing, I
3 submit that we already have in place a group
4 of stakeholders that are both knowledgeable
5 in the ID issue and representative of the
6 industry. That group is the National Animal
7 Identification Development team formed in
8 2003. I appreciate the opportunity to make
9 these comments and I look forward to the
10 questions and answers.

11 MR. ROGERS: Thank you, sir. Rick Willer.

12 MR. WILLER: Good morning. My name is Richard
13 Willer and I'm the President of the United
14 States Animal Health Association, the
15 nation's animal and public health forum. And
16 I appreciate the opportunity to be here and
17 provide comments on behalf of the association
18 on the NAIS and privatization of the animal
19 tracking database. The United States Animal
20 Health Association is a 109-year-old science
21 based national organization of state and
22 federal governments, allied industry
23 organizations, universities and other groups
24 that address issues of food safety, animal
25 health and disease control, homeland

1 security, animal welfare and public health.
2 Many of the people in this room, many
3 industry representatives in this room today
4 are members of USAHA and some represent
5 allied industry organizations that hold a
6 seat on our Board of Directors. USAHA has
7 been involved in the design of the NAIS for
8 several years and we support efforts to move
9 forward on its full implementation. USAHA
10 resolution number 2, from the 2004 annual
11 meeting, urges USDA to cooperatively develop
12 an animal tracking database system in
13 conjunction with the species industry segment
14 and issue based working groups and state
15 animal health officials. In comments
16 submitted by USAHA on the draft strategic
17 plan and draft program standards published in
18 the May 20th federal register this year. By
19 the way, that will be fined and submitted by
20 way of the U.S. Animal Health Association's
21 committee and a livestock ID. In those
22 comments submitted, we urge USDA to consider
23 all practical and legitimate alternatives for
24 the animal tracking database, including
25 private industry proposals. While we did not

1 want to delay implementation of the animal
2 tracking portion of the NAIS, we urge USDA to
3 bring the debate on the animal tracking
4 database, as well as other key issues, back
5 to USAHA's annual meeting in November with
6 the goal of reaching consensus on those
7 issues. While we are disappointed that the
8 secretary has made a decision to allow
9 privatization of the database without the
10 opportunity to reach consensus at the USAHA
11 table, USAHA stands ready to work with
12 industry stakeholders to design a legal
13 entity envisioned by USDA that will provide
14 the oversight of this single privately held
15 animal tracking repository. We must continue
16 to work together and move forward on
17 implementation, full implementation, of the
18 NAIS. A critical component of the
19 safeguarding function of one of our nations
20 critical infrastructure to agriculture.

21 Thank you.

22 MR. ROGERS: Thank you, sir. Caren Cowan.

23 MS. COWAN: Dr. Clifford and others, thank you
24 today for coming together and the USDA for
25 providing this opportunity for us to talk

1 about issues so important to us. My name is
2 Caren Cowan and I'm here today representing
3 the New Mexico Growers Association. Our
4 association has members in all 33 of New
5 Mexico's counties, as well as 14 other
6 states. There have been several questions
7 primary on our member's minds as this animal
8 ID program has began to gain speed and it
9 seems like the more meetings we go to, the
10 less we come away knowing. However, today
11 you've answered one of those questions about
12 state databases and we think that's very
13 important to our state. The primary question
14 that our members have is what is this going
15 to cost, and that's the thing that you've
16 heard all the way through this morning. It's
17 going to be difficult to get to buy into a
18 situation when people know what it's going to
19 cost them and then that leads to the next
20 question, is the system going to be voluntary
21 or mandatory? We're told that with the
22 voluntary system you can't determine costs,
23 yet we're told that it's probably going to be
24 mandatory by 2009. We really need to get off
25 the dime and let folks know how this is going

1 to go forward and be genuine in how we
2 approach it, so that we can determine the
3 cost. Who will distribute the tags? Who is
4 going to, you know, is there going to be
5 liability to producers when trace back comes
6 to them? The New Mexico Livestock Board and
7 other states have animal tracking and animal
8 ID available for over 100 years and those are
9 databases that we think report and we can't
10 afford keep throwing away and we appreciate
11 the information on that that you've given
12 this morning. Then, we come to what
13 triggers, how the federal government will get
14 into that and if you think that's important
15 as we look at it. The event that we believe
16 should trigger that intrigue, the federal
17 intrigue, into the database is the
18 confirmation of a positive test for this one
19 and list a disease, the declaration of an
20 animal to be registered by the Secretary of
21 Agriculture and a program that could be
22 traced back to determine origin and
23 infection. So if we go forward, we would
24 like to see those things put in. In terms of
25 private database, we have numerous questions

1 that it would take a lot longer than three
2 minutes to give, so we put those into written
3 testimonials and we'll give those to you.
4 Thank you very much.

5 MR. ROGERS: Thank you, ma'am. At this time,
6 I would like to bring up our next five. Bob
7 Frost, John Wortman, Wayne Brincks, Jim
8 Peterson and Donn Teske. We're going to go
9 ahead and start with Bob Frost.

10 MR. FROST: Thank you for the opportunity to
11 be here this morning. My name is Bob Frost.
12 I'm from the New Mexico Cattle Growers
13 Association. I am a producer in the State of
14 Mexico. I am also a member of the trial
15 group that is trying the animal ID system.
16 Had an incident happen that I didn't know
17 quite how to handle. I ordered tags and
18 didn't tag the kids that we sold this fall
19 and two days before we got ready to deliver,
20 I thought, well, we ought to call the buyers
21 to see what exactly is going to happen.

22 "We're going to cut those tags out and put in
23 our own tags." So it seemed like to me it
24 was irrelevant for me to put the tags in. I
25 just want to know where the kids went. I

1 think probably the problem that we had in New
2 Mexico and with a lot of ranchers is the
3 privacy problem. We don't, we, and I say, we
4 don't want to just give you that information
5 that's available to anybody and everybody.
6 We would like to know where it come from.
7 Therefore, we think that our state livestock
8 board ought to hold the information and we,
9 as ranchers, will give, enter the data that
10 we need to. I appreciate your time. Thank
11 you.

12 MR. ROGERS: Thank you, sir. John Wortman.

13 MR. WORTMAN: Good morning. I'm John Wortman.
14 I'm Executive Vice President for New Mexico
15 Farm Bureau, representing about 16,000
16 members of New Mexico. You can see you've
17 got three people from New Mexico speaking
18 here in a row, so I'm going to say that I'll
19 take up less than three minutes, and for the
20 record, concur with Ms. Cowan's comments.
21 Those of us in New Mexico have some serious
22 concerns about the program, but realize that
23 a lot of the questions have already been
24 answered and we're passed some of those. We
25 were talking about state programs, trans

1 states. But one thing that I do want to
2 emphasize is that in the course of
3 implementing this, that states should have
4 the right, the option, the authority to make
5 a decision on how they implement it within
6 the state rather than it being a federally
7 mandated system that must comply with -
8 obviously, it needs to be a federal
9 standardized system which has been developed,
10 but it should be up to the state to decide
11 how to implement that. And we believe that
12 that could be done and be able to do for all
13 the separate databases, but be connected.
14 Another comment that I want to make and I'll
15 leave with that is that in a course of this
16 designing, deciding what should be this legal
17 entity. One of the things that we expect you
18 to keep in mind is that there are a lot of
19 people being represented in this legal entity
20 and it's not necessarily a national level
21 organization because you have state interests
22 involved in it. And specifically I would say
23 that not every state producer organization
24 concurs with all the things that the national
25 organizations that may be of similar

1 organizations, so keep in mind state
2 organizations and who is going to referee
3 this. I believe that the USDA is going to
4 have to referee this and so our comment is
5 that, yes, it could be a legal entity, but
6 what a legal entity can't decide, somebody's
7 going to have to throw the flag and say this
8 is the way it's going to be and I believe
9 that that's going to have to be the way it
10 is. Thank you.

11 MR. ROGERS: Thank you, sir. Wayne Brincks.

12 MR. BRINCKS: Good morning. I have some
13 comments from Congressman Steve Kind. Even
14 before the first case of BSE in December of
15 2003, livestock producers in Iowa's 5th
16 District were calling for a national
17 livestock identification system. They cited
18 three reasons. First, they saw the need to
19 track and identify animals for possible
20 quarantine and ratification due to infectious
21 disease. Two, the admission of benefits of
22 marketing opportunities of vast improvements.
23 And three they believe some of our foreign
24 and domestic customers of meat products would
25 eventually ask for traceability. Discovery

1 of BSE in a cow on American soil provides the
2 necessary political momentum for the system.
3 After months of discussions with industry
4 leaders and members of congress, as well as
5 traveling to Australia to specifically look
6 at their system and European systems, I was
7 convinced that federal legislation was the
8 proper course of action. Therefore, on June
9 30, 2005, I introduced HR3170, the Livestock
10 Identification and Marketing Opportunities
11 Act or LIMO. Legislation is the best option
12 to ensure confidentiality and producer
13 information and participation in the system.
14 The LIMO Act provides for the four guiding
15 principals that Secretary Johanns has
16 requested. One, it requires a 48-hour
17 traceability. Two, to announce the
18 development of the system without unduly
19 adding to the size of government. Three, it
20 requires flexibility to incorporate new
21 technologies. And four, it contains a
22 database to be held outside of government
23 control while still ensuring government
24 accessibility when appropriate. The LIMO Act
25 provides for these principals by creating a

1 livestock identification board, which would
2 establish and maintain the system, house the
3 information obtained in a centralized data
4 system and determine appropriate technologies
5 to be used. USDA Department of Agriculture
6 and state veterinarians have been working to
7 establish premise identifications. Commodity
8 and farm organizations have been taking
9 initiatives, as well. The LIMO Act would
10 provide a junction box with circuitry while
11 all of us work to plug into to provide a
12 current, such as infrastructure, funding and
13 authority for a right to collect fees. In
14 addition, the bill would provide the
15 installation protection and exemption from
16 the previous information act. The livestock
17 identification board would be a consortium of
18 producers and industry representatives
19 comprised of seven board members and
20 appointed by the Secretary of Agriculture.
21 Cattle, swine, poultry, sheep and goat
22 industries would have their representatives.
23 Meat processors and livestock auctioneers
24 would also have a representative. In
25 addition, that would be an at large member.

1 The board would also have two nonvoting
2 members representing the USDA and state and
3 federal veterinarians. While I'm supporting
4 what USDA and private organizations have and
5 are doing to kick start livestock
6 identification, I believe that legislation
7 supplies the best avenue to achieve a viable
8 nationwide animal identification system.
9 There are only two ways to get adequate
10 participation in the viable system. Either
11 adopt the LIMO Act or similar legislation,
12 wait until the packers and retailers make it
13 mandatory. I believe the LIMO Act is very
14 comprehensive and asks that commodity and
15 farm organizations endorse the bill. Failing
16 an endorsement, I would like to know what
17 kinds of objections groups may have. I'm
18 asking USDA consider this viable option, and
19 my staff will have copies available for any
20 stakeholder present who desires one. Thank
21 you.

22 MR. ROGERS: Thank you, sir. Jim Peterson.

23 MR. PETERSON: Jim, I want to thank you for
24 the opportunity to speak. For the record,
25 I'm Jim Peterson. I'm currently serving as

1 an Interim Associate Dean for the Montana
2 State University and I'm one of the primary
3 investigators for the Montana Beef, which has
4 been involved in animal ID now, I think we're
5 in our sixth year. I guess what I came here
6 to share with you is this fall, we
7 distributed in Montana about 40,000 tags just
8 in Montana alone to give you an idea of
9 interest that's developing from producers and
10 their interest in trying to participate in
11 this program. One thing I can tell you
12 though is based on our five years of
13 experience and where we are today is there's
14 a tremendous amount of confusion out there as
15 to how this is going to work. One of the
16 things you've said here this morning and I
17 think it's critical for a program like this
18 to work is to have some uniformity and
19 compatibility in the system. Whatever
20 happens, if you pull out your wallet, for
21 example, and take out a credit card, you
22 probably have about four or five different
23 privatized brands of credit cards, but the
24 technology on that electronic swipe strip
25 works everywhere you go. So there's some

1 uniformity and compatibility in that
2 technology that works all around the world
3 regardless of where you go and I think that
4 has to be a goal in this system. And so when
5 you say that you're technology neutral, I'm
6 not sure what that means. Does that mean
7 you're technology neutral electronic versus
8 panel tag or what do you mean by that issue.
9 I believe that you have to look very
10 carefully at how we achieve uniformity and
11 compatibility, so that whichever credit card
12 you take out or whichever tag I put in the
13 ear of my calf or cow will work wherever that
14 animal happens to go. As I go around in
15 Montana to education meetings, producers ask
16 the question what is expected of them.
17 They're interested in knowing, but they
18 really don't know what is expected of them
19 right now. There's tremendous confusion out
20 there. Obviously, there's a question of
21 cost, but I think the bigger issues is what
22 is the expectations of the producer. I think
23 this is going to require a tremendous
24 industry education program that somebody
25 needs to think about. As we go around the

1 state, producers are hungry for this kind of
2 information, but there's not a clear message
3 out there as to how to make this work. The
4 basic protocol is critical. How do you make
5 this thing work? And Montana's involved in
6 one of the pilot projects for testing ID and
7 48 hour trace back. I think it's important
8 that USDA summarize these pilot projects
9 around the country and draw some conclusions
10 as to what information is collected and what
11 will work. I guess my point here is, there
12 has to be some basic sideboards and some
13 basic protocol, so whatever we do with that
14 electronic tag will work everywhere that
15 animal goes. Thank you.

16 MR. ROGERS: Thank you, sir. Donn Teske.

17 MR. TESKE: Thank you for allowing me the
18 opportunity to address this meeting. My name
19 is Donn Teske and I'm here representing
20 Kansas Farmers Union. Kansas Farmers Union
21 policy supports the mandatory animal ID
22 program, but I do want to bring up just three
23 quick points. I don't talk as fast as some
24 of these guys, so I can't talk to the wall
25 over here as much. But the number one

1 problem that we have now is the privatization
2 of it. I think it's embarrassing that the
3 USDA at the same time that they're closing
4 down offices across the nation is cropping up
5 with the NAIS program. I think that shows a
6 lack of responsibility. The data gathered
7 while documenting the ID program is too
8 important to risk private control. This is a
9 national program with their responsibility to
10 operate. I, as an individual cattle
11 producer, will refuse to acknowledge a
12 private entity as credible program. I don't
13 understand how the federal government can
14 tell me that I have to give personal data to
15 a private entity and I'll have a very
16 difficult time accepting that. The second
17 point I wanted to bring up is the whole
18 animal ID program is a consumer safety issue,
19 and as such, the consumers should pay for it.
20 And I've heard that said many times over this
21 morning. And then the third item I wanted to
22 bring up, now that all the expense of the
23 unworkable program has been incurred in the
24 animal ID program, this would be the perfect
25 time to have the - at the same time than it

1 also.

2 MR. ROGERS: Thank you, sir. I'm going to go
3 ahead and bring up our next five. That would
4 be Dan Dierschke, Jodi Luttrupp, Patty Lovern
5 and Sheldon Jones. And of course, we'll
6 start in that order, so Mr. Dierschke.

7 MR. DIERSCHKE: Thank you for receiving
8 comments. My name is Dan Dierschke. I am a
9 cow/calf producer from central Texas. I also
10 serve as the Director of the Texas Farm
11 Bureau and am representing them this morning.
12 We have 385,000 member families in our
13 organization, many of whom are cattle and
14 livestock producers. We support a private
15 database for animal identification and
16 tracking of animal movement with rapid access
17 for appropriate animal health officials in
18 their goal of managing animal disease issues.
19 We recommend oversight of the database be
20 controlled by a nonprofit board, board of
21 directors or a consortium representing the
22 major species effected for the need of an ID
23 system. We also recognize the domestic and
24 international market places are demanding
25 more information to verify age and source of

1 the animals being sold. We feel that a
2 private database can more readily incorporate
3 data fields, not required for animal disease
4 control, but yet information demanded by the
5 markets. Our members are most emphatic in
6 their insistence on maintenance of the
7 confidentiality of their business information
8 and animal identification data. There are
9 significant concerns that private information
10 released is expected in response to employer
11 request will be utilized for purposes other
12 than animal disease control. And we would
13 support what the state veterinarians were
14 saying and that is that we have additional
15 legislation that can provide protection for
16 the data that we feel belongs appropriately
17 to us. While as producers we recognize the
18 need for a trace back system. There should
19 be a cost sharing of the expenses of animal
20 ID, rather than calling upon industries to
21 carry the entire burden. The benefits of the
22 system accrued to the economy and community
23 beyond livestock producers and the cost
24 should be shared appropriately. And as we
25 await the results from the pilot project, we

1 are concerned about the implementation of the
2 current technology, that it be able to
3 operate at the speed of commerce. In
4 closing, the livestock industry in Texas is
5 by far the largest and most critical
6 component of agriculture in our state. A
7 more rapid, a more accurate identification
8 system will strengthen the animal disease
9 program and thereby provide additional
10 safeguards for animal agriculture.

11 MR. ROGERS: Thank you, sir. Jodi Luttropp.

12 MS. LUTTROPP: Good morning. I'm Jodi
13 Luttropp on behalf of the Holstein
14 Association and our 30,000 plus member
15 producers. We thank Secretary Johanns and
16 the USDA for this forum. We commend
17 Secretary Johanns' support of a public/
18 private partnership for national animal ID.
19 We have long supported this concept for
20 several reasons. It is our belief that
21 producers will support having the private
22 sector involved. Producers like having the
23 idea of who they want to work with. This
24 concept of a public/private partnership can
25 take advantage of existing programs like

1 national fair. We are pleased to be
2 communicating with organizations like NTBH,
3 expedite a national ID system in the United
4 States. Additionally, private industry would
5 likely drive competition in the marketplace.
6 Animal ID service providers must earn
7 customers' trust and provide accuracy and
8 value for their services. We believe that
9 there is an urgent need for a national animal
10 ID system in the United States that allows
11 government to respond quickly and effectively
12 to an animal emergency. America's farmers
13 and ranchers are vulnerable without such a
14 system. Thank you very much for the
15 opportunity to comment.

16 MR. ROGERS: Thank you, ma'am. Patty Lovern.

17 MS. LOVERN: Hi. My name is Patty Lovern and
18 I work - which is a national consumer
19 advocacy group in Washington, D.C. And we
20 feel that consumers have a vital interest in
21 having a national animal identification
22 database designed because we deserve some
23 assurance that the USDA is going to be able
24 to determine how and where animals who are
25 exposed to disease and if any other animals

1 are also infected. The USDA's ability to do
2 this in a timely manner was shown to be
3 lacking in 2003 and 2004 when we first saw
4 foot and mouth in the United States. A
5 national animal identification system will
6 also be useful to us in other investigations,
7 such as providing the age of cattle at
8 slaughters to make sure that age dependent
9 meet hygiene rules. Therefore, public
10 assistance forces the action of a mandatory
11 animal identification system that is operated
12 under government control. The animal
13 identification system should be mandatory to
14 maximize the ability to trace back in the
15 event - and the system should be designed
16 with the flexibility necessary to use
17 information producers are already keeping,
18 which is records for state and federal health
19 programs and for any inspection. This system
20 should not require producers to use the
21 technology to participate. Regarding control
22 aspects, so that only relevant state and
23 federal government agencies should have the
24 authority to manage the database.
25 Establishing a private database creates the

1 opportunity for a third party to profit from
2 this enterprise either inappropriately
3 through the prices or through selling access.
4 In addition to these obvious questions, in
5 fairness to producers, consumers would not be
6 well served by a private system that allows
7 such tactics to serve a consolidation of the
8 livestock industry. Additionally, a creation
9 of an animal identification system should be
10 driven by animal health, that's the goal, not
11 to be provided by resource training private
12 entity. One of the most cited reasons for
13 pursuing a national animal identification
14 system is to build consumer confidence both
15 here and abroad, yet most consumers are
16 instinctively wary of industry trying to self
17 regulate, especially when it comes to
18 something as important as when safety is on
19 the line. Too much of the information about
20 the USDA in the United States has come with
21 the result of government oversight mechanisms
22 such as the government accountability office
23 and the USDA's office Inspector General. So
24 if you lose that oversight, by establishing a
25 privately run database, there will be an

1 enormous - to the source. And finally, the
2 trust issue of the Freedom of Information Act
3 because it seems to be the favorite topic for
4 a lot of people that's participating today.
5 The Freedom of Information Act has frequently
6 been presented as an evil, to be avoided at
7 all costs. Public citizen have a long
8 history of fighting for transparency in
9 government records and FOIA is a vital tool
10 in that work. Therefore, we reject the
11 assumption of FOIA as such a negative thing.
12 More relevant to this discussion is the fact
13 that even in the events of an investigation
14 or trace back action, FOIA will eventually
15 apply. Once the government has data, whether
16 they kept it themselves or they requested it
17 from a privately run system, it will be
18 subject to the FOIA.

19 MR. ROGERS: Thank you, ma'am. Sheldon Jones.

20 MR. JONES: Good morning, Dr. Clifford and
21 members of the USDA officials. My name is
22 Sheldon Jones. I'm the Deputy Commissioner
23 of the Colorado Department of Agriculture. I
24 appreciate the opportunity to be here this
25 morning. First off, I want to go on the

1 record to say that the State of Colorado and
2 its livestock industries support a national
3 animal ID system. In Colorado, 75% of the
4 agriculture is livestock industry. We do
5 recognize the body of the national ID program
6 are doing their best today with a pilot
7 project heavily at the state level - federal
8 funds and they have a pilot project not only
9 for the State of Colorado, but also
10 regionally with a financial consortium
11 including the state of Arizona, the state of
12 New Mexico, with both the Navajo tribe and
13 the Hopi tribe in northeastern Arizona. We
14 don't want to lose the momentum in this
15 transition phase with what we've established
16 today. We in Colorado may be one of the only
17 states that are requiring all Canadian-
18 imported cattle going to feed be integrated
19 into the national ID program. We understand
20 and recognize that they're in this transition
21 phase, but this will take some time. We ask
22 that strategy to allow USDA to continue their
23 traceability database and then integrate that
24 into the private database, if that's the way
25 this goes, when that time is appropriate.

1 We're here today to move that forward as
2 critical. We see that this system has to
3 maintain domestic consumer demand for our
4 livestock animal products, as well our
5 international marketplace critical to that
6 access. We see this as much of a market
7 access system as it is a regulatory system in
8 the grand scheme of things. The national ID
9 system implementation plan must continue to
10 advance, recognizing that it must address the
11 industry, concerned that by gaining industry
12 support, address the issues of costs,
13 viability, confidentiality and these species
14 specific issues referred here this morning.
15 But most importantly, this whole system must
16 be effective. The present issue that comes
17 forth, and the next case of this, the second
18 case, in fact, we have to be able to show the
19 efficacy of the system regardless of who
20 maintains it, that it's effective. And
21 that's number one. And we support the
22 uniformity, the conformity of the issues, but
23 most importantly, when we need to call on you
24 and ask to deliver, the investment we made
25 today is all lost, and so we ask you keep

1 your eye on ball and continue to move forward
2 to do the right thing. Thank you for this
3 opportunity.

4 MR. ROGERS: Thank you, sir. At this time
5 we're going to take a 10 minute break.

6 However, when we return, we're going to have
7 Dr. Bruce Akey, Mason Mungle and Phil Hewitt
8 and Mark Shaw and Terry Detrick up for the
9 next speakers. So we have about 10 minutes.

10 (Off the record)

11 MR. ROGERS: What we're going to is we're
12 going to break for lunch at noon. My
13 understanding is that the hotel has set up an
14 express lunch downstairs, if you chose that
15 or not, but we'll be taking about an hour for
16 lunch. When you return from lunch we'll be
17 continuing testimonials. I'll see if we have
18 any comment and then we'll go ahead and open
19 that for Q&A. We'll begin with Terry
20 Detrick, Allen Bright, Ken Olson - Dr. Bruce
21 Akey, Mark Shaw, Terry Detrick, Allen Bright,
22 Ken Olson and Bob Hillman, please have a
23 seat. We're going to start with Dr. Akey.

24 Oh, yeah. Mason Mungle, yes. I guess I left
25 him out, sir. Dr. Akey, if you'd like to go

1 ahead and start.

2 DR. AKEY: I'm Bruce Akey and I work for the
3 state government and they can't fire me. And
4 at my best, I'm not an 800-pound gorilla, I
5 might be a 200-pound gorilla. We are here -
6 as I said, I work for the State Department of
7 Agriculture of New York as a state
8 veterinarian. We are extremely cognizant the
9 needs and desires and realities of trying to
10 put this important program into place at the
11 state level. That being said, there's
12 already been a lot said about
13 confidentiality, about cost sharing, et
14 cetera, et cetera. I won't belabor those
15 points, but I want to raise a couple of other
16 things that I think folks should think about.
17 There's already been a lot of thoughtful work
18 put into this program. A lot of people spent
19 a lot of time trying to design it along the
20 species lines and I think that's a very
21 plausible thing to have done. But there is
22 some logistical things that I think need to
23 be kept in mind as we go forward with the
24 putting together a private level of a
25 database. From just the ID standpoint,

1 whether or not you're going to have a single
2 entity, which is certainly the stated desire
3 and whether or not they're going to be 10
4 databases, 50 databases, 100 databases
5 feeding into that single entity, as you know
6 the more links there are in a chain, the more
7 potential there is for one of those links to
8 break on you. And I can tell you from
9 experience that on that Friday afternoon when
10 that call comes in at 5:30, 6:00 in the
11 afternoon about a problem and you need to
12 find that information, the last thing you
13 need is to have a break in that chain and not
14 be able to get that information for hours,
15 days, or for longer. So I would certainly
16 counsel that folks look closely at just how
17 big and bloated an infrastructure is based as
18 opposed to how streamline and fast an
19 infrastructure could possibly be put in place
20 to do this. I would also remind you that
21 you've heard about cost sharing and that
22 certainly applies at the state level, as
23 well. What we're looking for, I think, is a
24 clear direction, a clear decision of how to
25 go forward. Many of the states have already

1 started forward, started in a direction, have
2 sunk time and resources into that direction.
3 We need to just be sure that we are going in
4 the right direction, the direction that's
5 going to end up and not waste a valuable
6 opportunity to put limited funding to work,
7 the limited opportunities that we have to
8 work to make this a program that's going to
9 work for everybody. Lastly, I think we have
10 a concern at the state level with
11 privatization in meeting the concerns of our
12 trade partners. That being trade is based on
13 trust largely, you can try to apply data to
14 your partners, whether it's interstate or
15 international, but it comes down to trust.
16 And often times, in my experience, that trust
17 is based on the perception that a
18 disinterested third party, largely the state
19 or federal government, does have sufficient
20 oversight, sufficient control of any system
21 to assure that those third parties of the
22 quality of information that they're getting.
23 Thank you very much for the opportunity to
24 comment.
25 MR. ROGERS: Thank you, sir. Mason Mungle.

1 MR. MuNGLE: Thank you very much for the
2 opportunity to comment. I'm Mason Mungle.
3 I'm a cow/calf producer from the southeast
4 Oklahoma. Oklahoma is the home of over four
5 million head of cattle, 59,000 producers, and
6 these producers average less than 60 head per
7 unit. I've watched with intense interest of
8 the cattle marking group that was set up and
9 marked diligently over a year to come up with
10 an animal ID system. I wanted to play my
11 part and have registered my premise. I wish
12 I hadn't of. I agree with the working
13 group's findings. It is evident that the
14 federal administration did not follow-up the
15 working group's recommendation. My liability
16 as a cow/calf producer is a concern of mine.
17 I tag my animals. They go to a producer that
18 grazes them. They go from there to a feed
19 lot. None of those people track those
20 animals. They go to slaughter or feed lot to
21 slaughter and something's wrong with those
22 cattle. They've been shot with antibodies or
23 they have a disease, foot and mouth,
24 something like that. These are the last
25 records, they bought them from me, because I

1 did my part and tagged them. What's my
2 liability and what's those other people's
3 liability that bought those cattle and did it
4 because it was not a mandatory system. What
5 happened with foot and mouth? In Oklahoma
6 City, 39 states the cattle go out of that
7 sale. What happens if somebody just goes
8 across here and throws up a handkerchief
9 that's been affected with foot and mouth if
10 I'm the last cattle owner, record of owner.
11 I do not agree with voluntary privately held
12 system. I more than agree with Congressman
13 King's HR3170 that sets up a system that's
14 more, that protects me, my farm, that's been
15 in the family five generations. Thank you.
16 MR. ROGERS: Thank you, sir. Mark Shaw.
17 MR. SHAW: Good morning, gentlemen. I
18 appreciate the opportunity to speak. I
19 appreciate you calling me this morning. For
20 the record, my name is Mark Shaw. I'm the
21 CEO of Micro View(ph) Technologies,
22 headquarters in Amarillo, Texas. As Line D
23 based company with over 35 years experience
24 in animal agriculture, we applaud the efforts
25 that the USDA has made in terms of

1 leadership, as well as the announcement that
2 the Secretary General has made in support, as
3 well as our customer support, the private
4 sector system. As a company, we're the
5 largest real time computerized management
6 system technology provider for the beef
7 industry. We've got extensive experience and
8 expertise with handling individual animal
9 identification tracking and trace back.
10 Since 1986, we've been doing this on an
11 individual animal basis, and since then the
12 tracking mainly of animals. Our customer
13 base represents about 60% percent of the
14 commercial cattle feeding industry, about 40
15 to 45% of annual economics. I want to point
16 out a few concerns, as well as those with
17 several opportunities. Number one, we hope
18 that as we go through this process, the 840
19 numbering system, is further addressed. We
20 had concerns with requirements of the 840
21 number being used for the healthy herd. I
22 know butchers have their concerns of certain
23 diseases, but recognizing the 840 number to
24 be used for all animals in a healthy herd is
25 a question within the industry, as well as

1 the requirements that tags be tracked from
2 the manufacturer to the producer, as opposed
3 to tracking animals and using permanent ISO
4 tags and following ISO standards. One of the
5 slides that was pointed out today by Dr.
6 Clifford that we all have had an opportunity
7 to comment on, as well, the process is the
8 item of state databases not being integrated
9 with the state private database. We see
10 concerns. To not point those out here would
11 be irresponsible on our part. We see
12 concerns with that being a separate database
13 than ours, as well as not provide people on
14 the chain information they need in terms of
15 buying and selling animals throughout the
16 process and have records that go along with
17 that. And as mentioned previously by one of
18 the earlier speakers, we are one of the
19 companies that has relative commercial
20 property in this area. It's our hope that
21 the USDA will work to ensure your
22 constitutional rights as private property
23 owners and protect you through this process.
24 The fourth item that I have is that also it
25 relates to the consortium process, which we

1 support and have supported. We too hope that
2 they serve our interest, as well as the
3 interest of your customers are involved in
4 this process. The fifth points, from the
5 concern standpoint is that we also hope that
6 as this process unfolds, that you'll have
7 private sector companies to operate in the
8 marketplace. The last two points,
9 opportunity wise, we believe that use of the
10 existing resources within the industry will
11 help to lower the costs. Most important,
12 there's no company like our company. I don't
13 know what company you're working with. So,
14 as we go forward, we continue to look forward
15 to working with you through this process.
16 And we appreciate the opportunity this
17 morning. Thank you.

18 MR. ROGERS: Thank you, sir. Terry Detrick.

19 MR. DETRICK: Thank you. For the record, I am
20 Terry Detrick. I'm a farmer/rancher from
21 northwest Oklahoma. I'm very active in
22 county, state, national cattlemen's
23 organizations. A member all the way through.
24 I've worked with policy a lot. I want to
25 thank you for this opportunity. I respect

1 each and every one of you. I've had an
2 opportunity to work with most of you. You
3 have worked with us. I've been a member of
4 the beef working groups to begin with and
5 then becoming with the cattle working group.
6 You heard the debates, you heard the
7 concerns. You watched the representatives
8 from the entire cattle industry reach a
9 consensus. And you all helped us do that.
10 We thoroughly discussed numbers management,
11 privatization of debt management, discussed
12 funding, confidentiality, voluntary versus
13 mandatory, and much more. I don't think you
14 can think of a question that didn't arise
15 during our hours and days of debates to
16 arrive at a system. It's very evident to me
17 that people above you, who were not present
18 for this discussion are public disregarding a
19 large part of our efforts. Early on, there
20 began a chase for the dollar. Companies and
21 associations alike visualize a income strain
22 from animal identification. Private industry
23 will not provide data management without
24 profiting from us. The producer at the
25 bottom of the food chain will bear all of

1 that cost. Privatization absolutely does
2 not, cannot, and will not guarantee
3 confidentiality. The cattle working group
4 worked diligently. They examined every
5 possible option anyone could think of and
6 presented to the USDA and APHIS a very
7 detailed, focused, simplified, workable,
8 publicized system. I urge you to strictly
9 adhere to that plan. It represents the
10 entire industry after much debate. And thank
11 you all for your help in doing that.

12 MR. ROGERS: Thank you, sir. Allen Bright.

13 MR. BRIGHT: Good morning. My name is Allen
14 Bright. I'm with the National Cattlemen's
15 Beef Association. We would like to thank the
16 Secretary and APHIS for the opportunity to
17 comment here today. In the interest of the
18 schedule, my comments will be brief. I will
19 remind everyone that the animal movement
20 database is a very narrow part of the total
21 NAIS. I think that's very important. For
22 the NAIS to be effective, there are many
23 other pieces that must be put into place,
24 including continued premise registration and
25 data selection infrastructure. The ability

1 of state veterinarians and APHIS to access a
2 readily available source of movement
3 information is critical to the success of
4 this project. The risk of having an
5 identification system with insufficient funds
6 to utilize it, in our mind, is real. All of
7 the animal industry must work to make sure
8 that adequate funding for disease
9 surveillance is available, not just for
10 animal identification, but for all of the
11 other activities that the state veterinarians
12 and APHIS undertake on a daily basis in
13 protecting this industry. We must realize
14 that and we must push for continued adequate
15 funding for APHIS and the state. We call
16 upon, and we're confident that you will, aid
17 us to provide a consortium with clear
18 direction on the requirements of the
19 database, as Dr. Clifford has already assured
20 us of that this morning in his presentation
21 earlier. The grass root's membership of the
22 National Cattlemen's Beef Association has
23 invested thousands of hours and a large
24 amount of funds in this NAIS project with the
25 firm commitment that the enhancement of

1 disease surveillance through the NAIS will
2 keep the beef industry strong long into the
3 future. No industry group should profit from
4 this effort. To close, I would make this
5 observation. An animal industry consortium
6 can have an animal movement database in place
7 in a very short time. The opportunity is
8 ours and the time frame is now. Again, thank
9 you.

10 MR. ROGERS: Thank you, sir. Ken Olson.

11 MR. OLSON: Good morning. My name is Ken
12 Olson. I'm representing the National Dairy
13 Herd Improvement Association and the same
14 members that work through our affiliate
15 organizations. First, I would like to
16 emphasize the National DHI for various
17 reasons. It very strongly supports the
18 National Animal Identification System. We
19 used a staff and have invested considerable
20 time and effort in working on developing the
21 system and moving it forward. Bruce has
22 recognized the importance of developing a
23 system for tracking animals and ensuring the
24 public for ready access to a public food
25 supply. Trace back challenges that we've

1 experienced in recent years have pointed out
2 the need for a functional system. The system
3 that evolves must work properly, have
4 credibility of producers, public and
5 international community, and include all
6 species, and it truly needs to meet the needs
7 and the objectives of the parties who rely on
8 it. The National DHI system will work and
9 the producers can work with it. The DHI has
10 worked with farm identification and animal
11 identification for over 100 years, so we know
12 that the system works. During the past year,
13 National DHI and its employees worked with
14 problems greater than the Pennsylvania
15 Department of Agriculture, to begin
16 implementation of the ID system within the
17 state. Approximately, 50,000 dairy animals
18 have been our ID tagged for identification
19 and movement information hankered into the
20 state database, transferred automatically
21 from the farm to the system. So we know the
22 system that's been proposed will work. Dairy
23 producers and DHI system, they work
24 effectively with it. This is an example of
25 public and private databases working together

1 to meet the needs of the industry. Private
2 system collects the information. Public
3 system stores that movement information.
4 It's critical that this be carried forward to
5 the national systems. Producers should not
6 be mandated to carry the full cost of the
7 system in the event of the call. The final
8 point is that the dairy industry is working
9 together to move the idea forward. Last
10 Thursday, we announced an aggressive program
11 called Light(ph) Dairy to work together in
12 this area represents a consortium of six
13 major national dairy organizations. We've
14 come together as a unified voice for the
15 industry. Our initial focus is really in
16 encouraging producers to register the
17 premise, education in that regard. As this
18 moves forward, we'll also encourage the
19 producers to use a official RFID animal
20 identification. We are asking the USDA to
21 move forward rapidly to identify what's
22 required as far as a tag, official tags, tag
23 manufacturers and AIN management to
24 facilitate the increase now. But again, the
25 dairy industry is emphasizing its support and

1 moving forward and working aggressively to
2 get it done. National DHI and the dairy
3 industry urges all parties to move forward in
4 the implementation of the National Animal
5 Identification System will work effectively
6 and efficiently for all. Thank you.

7 MR. ROGERS: Thank you, sir. Dr. Hillman.

8 DR. HILLMAN: Thank you for the opportunity to
9 be here this morning. My name is Bob
10 Hillman. I'm the Executive Director of Texas
11 Animal Health Commission. I'm also the
12 President of the Southern Animal Health
13 Association. And my comments are
14 representative of comments from the Southern
15 Animal Health Association. I would like to
16 start by saying that being from a state and
17 being responsible for a state animal health
18 agency that has had to respond to all five of
19 the foreign animal diseases that have been
20 introduced to the United States in the last
21 six years. I can tell you that there is a
22 critical need for improved animal
23 identification and animal tracking system in
24 this country. We cannot continue to debate
25 the issue. We need to get on this. From the

1 perspective of the Southern Animal Health
2 Association, it's more important to our
3 membership that we have a tracking system
4 than who manages that tracking system. While
5 individual members have their own properties,
6 collectively, they're very willing to support
7 either a private or a public animal tracking
8 system. The important point is that we get
9 it put together and we do it quickly. We
10 need the system not only before animal
11 disease response, but we've had several of
12 our states within the last 90 days, had to
13 respond to major national disasters, the
14 hurricanes. The need for national
15 identification and the capability of tracking
16 animals is not just for disease control.
17 We've had many thousands of inquiries of who
18 owns this animal. We need to be able to get
19 those animals back to the rightful owners.
20 So we need to think carefully about how we
21 limit the accessibility of an animal tracking
22 system to state and federal animal health
23 authorities. But we need the system not only
24 for an animal diseases and response to
25 national disasters. We also need it for

1 completion of our animal health programs. I
2 don't know whether anybody has noticed or
3 not, the TB is alive and well in this
4 country. Brucellosis has not yet been
5 eradicated nor has swine brucellosis.
6 Additionally, a number of our states have
7 state animal health programs that are not
8 national cooperative programs. We need an
9 animal identification and tracking system
10 that's capable of dealing with those issues,
11 as well. I would urge our industry partners,
12 that before the close of business today, that
13 you work together to pull the coalition
14 together and develop that animal tracking
15 system and bring it back for discussion.
16 Thank you for the opportunity to be here
17 today.

18 MR. ROGERS: Thank you, sir. We'll go ahead
19 and call up the next five. Lyndon Irwin,
20 Gary Wilson, Chuck Kiber, Bill Kluck, Don
21 Ortega and Ron Rydell. We'll go ahead and
22 start with Lyndon Irwin.

23 MR. IRWIN: My handwriting can't be that bad.

24 MR. ROGERS: My eyesight, sir. I'm sorry.

25 MR. IRWIN: For the record, my name is Lyndon

1 Irwin. I represent the American Cheese
2 Industry Association Executive Board and also
3 I'm a member of the sheep industry working
4 group. The cheese industry has a level of
5 comfort with the APHIS database, which has
6 been in place for over five years. We feel
7 that our industry has demonstrated that an
8 animal identification program can gain an
9 industry assessments. In several years of
10 this program being in effect, we know of no
11 problems that we have had with
12 confidentiality. Like the pork industry, the
13 sheep working group has worked under the same
14 assumption, that there would be an APHIS
15 database. Because of our relatively low of
16 individual animal value, multiple births, et
17 cetera, we have great concerns about the cost
18 associated with the databases. We already
19 have an ID program that provides premise ID,
20 animal ID, group lot ID, animal tracking back
21 and forward. Our understanding is that the
22 animal tracking database will apply to the
23 voluntary identification program. Since our
24 industry already has a mandatory program, we
25 doubt that individual producers would have

1 much interest in participating when they
2 already have the cost to mandatory programs.
3 We feel that our working group has made good
4 progress for programs to make it work
5 consistent with the desires of the proposed
6 identification plan. We feel that making
7 such abrupt and unexpected changes to the
8 identification plan has served only to slow
9 down implementation of the plan and slow down
10 the work of our working group. Thank you.
11 MR. ROGERS: Thank you, sir. Gary Wilson.
12 MR. WILSON: I'm Gary Wilson. Group Chairman
13 of the cattle working group. For sake of
14 time, since most of the comments have already
15 been made that I wanted to make, I would
16 yield to the rest of the participants for the
17 remainder of this morning's session.
18 MR. ROGERS: Thank you, sir. Chuck Kiber.
19 MR. KIBER: Good morning. I'm Chuck Kiber,
20 producer from Beaumont, Texas and President
21 Elect of Arquette, U.S.A. I appreciate the
22 opportunity to be here and participate in
23 this meeting. Arquette U.S.A. has attended
24 meetings and participated in the evolution of
25 the NAIS. Our past convention, upon careful

1 review of the NAIS strategic plan and many
2 unanswered questions, my membership
3 overwhelmingly voted to oppose the mandatory
4 animal ID system. We've also requested a
5 cost benefit analysis of the NAIS beef
6 industry. To date, no cost benefit analysis
7 has been done and no detailed estimates have
8 been released on exactly how much the NAIS is
9 actually going to cost producers. Now,
10 Secretary Johanns has announced that the USDA
11 feels that the animal tracking component of
12 the NAIS should be privatized to strengthen
13 our industry and govern a partnership.
14 Supposedly private industry needs to control
15 this facet of the NAIS to protect producer
16 private information from the Freedom of
17 Information Act. The USDA has used the issue
18 protecting producers partial records as an
19 excuse to strap the cost of an expensive
20 government animal health and food safety
21 program on the backs of U.S. cattle producers
22 through the privatized systems. Through the
23 entire brucellosis eradication program with
24 whole herds being tagged and records kept on
25 them by state animal health officials,

1 protecting rancher sensitive personal
2 information was never a big concern or a
3 problem. When the disaster programs were
4 implemented to the cattle producers due to
5 drought, volumes of partial information
6 concerning an individual's cattle operation
7 for taking in by FSA officers throughout the
8 U.S. and taking that information was never an
9 issue. Last, when a BSE infected cow was
10 discovered in a Texas cattle herd, the
11 rancher's privacy was never compromised and
12 very few people even knew what county the cow
13 came from for sure. NAIS is an animal health
14 and food safety issue. We already have an
15 agency set up to administer animal health and
16 safety programs with a proven track record,
17 including animal trace back. State Animal
18 Health Commission and state veterinarians has
19 been responsible for identifying animals and
20 tracking animal diseases for decades and have
21 done a pretty good job. An animal
22 identification system intended to achieve the
23 health and safety goals either should remain
24 under the direct control of those agencies
25 that have statutory responsibility for

1 maintaining the health and welfare of the
2 U.S. cattle industry. Only APHIS, the animal
3 health commissions and governments have this
4 statutory responsibility but only the beef
5 agencies are accountable to the public. The
6 USDA should not outsource the most critical
7 component of an ID system, the information
8 needed to conduct the 48-hour trace back. We
9 were under the impression the USDA had a
10 database set up and had the ability to track
11 animal movement. Why don't you see if it
12 works? Let us see results of some of the
13 pilot projects. Do the cost benefit analysis
14 and then see what this is going to do to the
15 industry financially. Thank you very much.

16 MR. ROGERS: Thank you, sir. Don Ortega.

17 MR. ORTEGA: Good morning. My name is Don
18 Ortega. I work with a software company in
19 San Francisco called Tag-Wise(ph). We are
20 developing energy finding applications on
21 some software and analytics, specifically
22 targeting the beef tagging industry. I just
23 have a few comments. We are approaching this
24 primarily as a technology thing, rather than
25 a cattle thing - new technology filters, as

1 least for our company. So the comments I
2 would make are, one, I would urge you not to
3 lock into a single vendor solution. You need
4 to have a backup plan in case the first
5 vendor's application doesn't work. You know,
6 implementing a system of this type, on this
7 scale, is complex. There's technology
8 conditions and there's a lot of conditions
9 that have to be developed. A solution that
10 comes from a single vendor is going to
11 reflect that vendor's needs and not
12 necessarily what's going to be in the best
13 interest of the industry. For example, you
14 know, how do you know it's the right
15 technology? They're not going to know unless
16 there's a crisis. The second issue is, right
17 now, you know, everybody keeps asking about a
18 48-hour response time. Without the right
19 approach, you could have a 48 second response
20 time and that's 47 seconds too long. And I
21 know that sounds, you know, kind of flip, but
22 every day - through the private database they
23 searched and look how fast response time is.
24 There's no reason you can't have this kind of
25 response time on a system if you part - open

1 source, open input, technology space. What I
2 would suggest is try to open up access to
3 multiple technology vendors, multiple
4 approaches. One way to do it is to building
5 up a line of understanding from other
6 vendors. Don't lock in those single vendor's
7 solutions. Open it up. There's a lot of
8 people out there, like ourselves, smaller
9 companies, bigger companies, that all have
10 approaches, but all have value on some level
11 or another. Try to get their perspective.
12 Let the market do its work, let the market
13 do the work for you and I think in the long
14 run, you'll have a much more flexible
15 disaster system. What you're looking for is
16 the speed, the liability, adaptability. And
17 let the market do the work for you, while
18 actually taking that break. It's very
19 similar to the way interactive works now,
20 because we want to basically put together by
21 - you can have that kind of solution. When
22 it comes to liability, that kind of speed,
23 that kind of accountability by letting
24 multiple vendors get involved. Thank you.
25 MR. ROGERS: Thank you, sir.

1 MR. KLUCK: Good morning. I'm Bill Kluck,
2 rancher and Deputy Director of the South
3 Dakota Starburst(ph) Association from
4 Plainview, South Dakota. I appreciate the
5 opportunity to comment on the development of
6 the privatized animal movement, NAIS.
7 Ranchers across South Dakota are concerned by
8 the USDA's desire to implement a mandatory
9 national identification program without
10 support from producers and without proof that
11 such a program is necessary or even possible.
12 South Dakota's brand inspection program is a
13 proven history of animal tracking through the
14 use of a hot iron brand. The Starburst(ph)
15 Association contracts with the state and
16 manages the brand protection program and
17 we've cooperated with the State Animal
18 Industry Board who in turn works with the
19 federal health authority on issues linked to
20 disease and animal tracking. I was hoping we
21 would have a great deal of success providing
22 ownership verification, as well as animal
23 trace back for our industry. In cattle
24 country, you say don't fix something that
25 isn't broken. No need to reinvent the wheel,

1 rather continue the method of seeing animal
2 health authorities and governments working in
3 partnership with the federal health
4 authorities to carry out disease manifest and
5 animal tracking. You ask these actions
6 demonstrates a lack of confidence for these
7 animal health officials. Only these publicly
8 accountable officials should be involved in
9 creating an animal ID system. It's a matter
10 of national security that concerns the human
11 health and welfare of livestock and the
12 American people and, therefore, should not be
13 handled by a single private entity.
14 Therefore, we have numerous questions
15 regarding the USDA's recent change of
16 direction on animal ID. In the past, the
17 USDA and APHIS has developed a good track
18 record for preventing disease around the U.S.
19 Unfortunately, it seems now the emphasis has
20 changed from disease prevention to disease
21 management. By going this route, one can
22 only assume that with an ID system in place,
23 the next step is to allow our high handled
24 health standards be lowered for the
25 implication of live cattle and beef, the

1 country's with health problems, including
2 BSE. The software's question, why the USDA
3 has changed its drill, the industry adamantly
4 opposed importation of infected or
5 potentially infected cattle regardless of the
6 Act that there will be some reform of the
7 national ID system. Who will carry out the
8 enforcement of privately run animal ID
9 systems. Having a private company enforce
10 animal ID, albeit in the cattle country, that
11 they will create more problems. How will a
12 private entity hold the need for support,
13 existing state and federal official animal ID
14 and health requirements. This software has
15 been working in the State Animal Industry
16 Board and the state's brand board for years
17 and an excellent system is in place. Will
18 this system need a - and if so, how will this
19 be done? How does USDA's privatized plan
20 invade the cattle producers that choose not
21 to participate in a privately run system.
22 Will they be fined or penalized? Thanks for
23 allowing me the opportunity to ask these
24 questions and voice concerns regarding the
25 privatization of animal ID. On behalf of the

1 ranchers in South Dakota and our neighboring
2 states, I ask that the USDA and groups
3 claiming to represent cattle producers
4 reconsider the proposal to privatizing animal
5 ID . Thank you.

6 MR. ROGERS: Thank you, sir. I'm going to
7 call for our next few folks here. We have
8 Randy Green, Kathy from Washington, D.C., Jim
9 Fraley, Lee Romta and Nancy, from Kansas
10 City, Robinson.

11 MR. ROGERS: Mr. Green, we'll go ahead and
12 start.

13 MR. GREEN: Thank you very much. Good
14 morning. I'm here on behalf of United Egg
15 Producers and we are a cooperative whose
16 independent members represent about 90% of
17 shell egg production in the United States.
18 We appreciate, not only the chance to be here
19 this morning, but also the opportunity to
20 participate in a bird ID working group within
21 the turkey industries. There's been a
22 consensus in that group on several points,
23 including the need for flock ID. And since
24 there's not controversy there, I'd like to
25 make four points to that area where maybe

1 there is. Number one, our members think it's
2 very important to avoid duplication in this
3 kind of system, particularly since most of
4 the information being sought, at least within
5 our industry, is information that already
6 exists in relationships that we have with
7 suppliers, with customers and with
8 regulators. Number two, if the database is
9 going to be private, and at least some of our
10 neighbors have some questions about that, if
11 it is, they support that expertise from the
12 poultry and egg industry, as well as
13 representation from the industry's need in
14 the governing body for that entity. It's
15 also important, we think, that the rest of
16 the - be asked first. An earlier speaker
17 mentioned the need to check out the major
18 trading partners, what the reaction will be
19 and I guess we would second that. The third
20 point I would like to make is that the
21 information being gathered through this
22 system has been described, I think, by all of
23 us as serving public goods. Those goods
24 include animal health, but they also include
25 human health and even homeland security. If

1 that's the case, we believe that there's a
2 very strong argument that public goods ought
3 to be publicly funded. This should not be
4 one more unfunded mandate on producers,
5 especially when, at least, in our industry,
6 they have been selling at less than cost of
7 production most of the last two years and
8 face rising energy costs and other costs.
9 Fourth, and finally, we believe there is an
10 absolute need in this system for
11 confidentiality of business information. And
12 I think those questions need to be answered
13 very quickly before the system becomes
14 mandatory. It appears, although I'd love to
15 be proved wrong on this point, that either in
16 a private or a government system, there will
17 be a need for legislation to clarify the
18 confidentiality of information. So we would
19 urge everybody to work together for that
20 help. And again, we appreciate the chance to
21 speak this morning. Thank you.

22 MR. ROGERS: Thank you, sir. Kathy from
23 Washington.

24 MS. ZIEGLER: It's Katy. Katy Ziegler from
25 National and Farmers Union. I'm here today

1 on behalf of our 250,000 members, farmers and
2 ranchers from across the country to express
3 our great disappointment in the USDA with
4 their August 30th announcement to privatize
5 part of the National Animal Identification
6 System. Our members believe that
7 establishment of this system is necessary to
8 protect our nation's food supply. We're
9 naturally afraid of disease outbreaks and by
10 our terrorism attacks. However, in order for
11 this system to work, the program must be
12 mandatory, but fully funded and controlled
13 entirely by the federal government. The
14 concerns our membership have identified with
15 allowing a voluntary privately held database
16 system include, it forces producers to sign a
17 blank check. We can't afford further
18 financial burden currently on our systems.
19 It's creates a remedy source for private
20 entities that are seeding to make a profit,
21 which is counterproductive to the systems'
22 goals. It includes no legal or regulatory
23 oversights prohibit divulging producers'
24 confidential information. It includes no
25 legal or regulatory oversights to mitigate

1 producer liabilities. It creates an
2 opportunity for packers and processors to
3 condition the purchase of livestock on the
4 participation in a voluntary mass. It
5 assumes coordination among a complex web of
6 data with no guarantees of success and it
7 assumes all sectors of livestock industry
8 will agree upon the developments and
9 maintenance of a single entity to represent
10 each species interest. We do support a
11 mandatory system that's fully funded and
12 controlled by the federal governments. We
13 believe that the system must include producer
14 information in such areas - limit producer
15 information accessibility to be only accessed
16 during times of animal disease or by a
17 terrorism outbreak. Thank you.

18 MR. ROGERS: Thank you, ma'am. Jim Fraley.

19 MR. FRALEY: I'm the Livestock Program
20 Director for the Illinois Farm Bureau and I
21 appreciate the opportunity to present our
22 view points today. In June, our organization
23 commented that USDA's - stated our support
24 for the data collection and management needs
25 to be molded within the USDA and accessed in

1 the event that an animal health occurrence
2 that requires a trace of inactive animals.
3 We believe that parallel privatized systems
4 will also allow one single cow-calf producers
5 to access cut out data on their calves or
6 they're able to obtain direction history on
7 purchased animals, for example. We were
8 surprised to see USDA has chosen to encourage
9 the development of a privatized database,
10 simply because we believe the merits of each
11 system is not been fully explored nor
12 discussed. We encourage the NAIS working
13 groups to continue to work cooperatively in
14 developing a consensus on their most
15 effective system for our nations producers.
16 We believe very strongly in this cooperative
17 approach in developing the key component of
18 the NAIS and encourage USDA carefully
19 consider recommendation developed by a multi
20 species group of stakeholders that is
21 representative of the entire industry. At
22 this point, there's a lot of confusion in our
23 industry and key questions need to be asked
24 and answered. It appears that neither
25 system, under current federal and state laws,

1 will ensure confidentiality to the producer.
2 This is a key priority for our members. How
3 can we most effectively address this concern
4 over confidentiality? It will require
5 federal legislation or separate state
6 legislative efforts. Another key question is
7 how will this system be financed? Who will
8 pay for the implementation of this system,
9 whether it public or private? As a producer
10 organization, we certainly support
11 partnership approach, but want to ensure that
12 an undue economic burden is not placed on our
13 members. Right now, we feel there needs to
14 be more coordination among all interested
15 parties to ensure a cooperative multi species
16 approach that unifies us, rather than divides
17 us. Thank you.

18 MR. ROGERS: Thank you, sir. Lee.

19 MR. ROMTA: My name is Lee Romta. I am on the
20 Board of Directors for the International
21 Livestock Identification Association and I'm
22 also the Grand Commissioner for the Wyoming
23 Livestock Board, which is animal and health
24 agency in the State of Wyoming. First, I
25 want to thank people for all the hard work

1 that's been done up to this date, but I don't
2 want people to lose sight that many people
3 worked really and we made a lot of progress
4 so far. And as a stakeholder, I want to
5 address the issue of animal trace backs
6 because that's my stake in this. I'm one of
7 the people who does animal trace backs and we
8 used every tool at our disposal to do this.
9 We used our state's brand system, we used
10 health certificates, we used electronic
11 identification, where it's possible, we used
12 any tool at our disposal. Sometimes these
13 trace backs are relatively easy and are
14 accomplished in a matter of hours. Sometimes
15 they're complicated and they take weeks to
16 do. So from an animal trace back system, we
17 welcome a national system because we need
18 better tools. The ILI, the International
19 Livestock Identification is an association of
20 American Mexican states and Canadian
21 Provinces that have livestock identification
22 systems. These systems are mandatory at the
23 state or provincial level and they do animal
24 tracking. That's what we're set up to do.
25 And these are state mandated programs.

1 They're not going to go away when the system
2 is in place. Whether it's voluntary or not,
3 we have state, or legal mandates, to do these
4 tracking systems. And there's a lot of good
5 information and infrastructure that is
6 already out there. And most brand states,
7 that I'm aware of, want to incorporate these
8 brand systems and most producers, as well,
9 into a national identification system. The
10 thing that bothers me is that because the
11 confidentiality issue has not been addressed
12 at a national level, we might not be able to
13 do this. Most of the information we collect
14 is the bulk of the source of our state
15 databases. And prior to databases, I was
16 going to address the confidentiality issue,
17 so states have done this on their own. And
18 the way our states system is set up, we could
19 not supply this information to USDA to a
20 private database. Lastly, I want to talk
21 about, we heard a lot of talk about market
22 forces and value added and I think we're
23 losing the focus of why we're doing this.
24 We're doing this for animal trace backs and
25 that's a very important function. So

1 whatever tracking system that comes out of
2 this, it must reflect this fact. Thank you.
3 MR. ROGERS: Thank you, sir. Nancy Robinson.
4 MS. ROBINSON: Good morning. Thank you for
5 opening up this meeting to all the interested
6 stakeholders. I am Nancy Robinson, Vice
7 President for Government and Industry Affairs
8 for Livestock Marketing Association. Ellie
9 Mae the national organization from the
10 marketing sector representing auction
11 markets, commissions and dealers. All these
12 marketing business have daily contact with
13 thousands of livestock producers all over
14 this land. Thus, we are highly involved and
15 interested in the development and operation
16 of a national animal ID system and its impact
17 on the livelihood of our marketing business,
18 as well as our customers, buyers and sellers
19 alike. From the inception of the national
20 animal ID development team, a group made up
21 of more than a hundred individuals from 70
22 livestock organizations, including Ellie Mae,
23 USDA has come to the fact that the
24 development of a national animal ID system
25 was an industry/government partnership.

1 Unfortunately, these days, that partnership
2 is looking more and more like sole ownership,
3 with most of the cost of establishing and
4 maintaining the system being laid at the feet
5 of the private sector and in particular,
6 producers and marketers. Secretary Johanns'
7 recent decision to remove the federal
8 government from a major facet of the national
9 animal ID system, the animal tracking
10 database, was most disappointing to many of
11 us in the livestock industry who have worked
12 tirelessly for years towards a unified animal
13 identification plan. His decision was
14 reportedly based on the confidentiality
15 concerns of producers, concerns, which in our
16 view, were largely stoked by one major
17 species organization interested in operating
18 their own private database. Market operators
19 will take a backseat to no one in wishing to
20 keep their business information confidential.
21 However, we are not convinced establishing an
22 extremely costly private ID database with all
23 of its accompanied legal liabilities is going
24 to provide any greater level of privacy than
25 if that same system were in government hands.

1 After all, it is USDA, itself, who says that
2 we still need to amend the Freedom of
3 Information Act to protect the animal
4 tracking information, regardless of whether
5 it's in private or public hands. The
6 Secretary may have made his decision as to
7 who should be responsible for the NAIS
8 database. With the livestock industry
9 represented by the main organization, and
10 individuals in this room have not. That
11 decision, even though we thought it had
12 already made to the USAIP process, is now
13 back in the hands of all the NAIS
14 stakeholders and no one single organization,
15 group or person should be given free reign to
16 dictate the final costs, in terms of that
17 decision. Thus, Ellie Mae strongly suggests
18 that the USAIP development team, which was
19 inclusive of all industry stakeholders, be
20 brought back together to determine whether a
21 private sector legal entity can be formed
22 around a private NAIS database, what the cost
23 will be to the livestock industry to
24 privatize the NAIS database, and how the
25 private system will be paid for without

1 literally bringing any one segment of the
2 industry. Then, and only then, can we, the
3 industry stakeholders, make an informed
4 decision on how to proceed on this issue. To
5 this point, Ellie Mae has a long list of
6 questions, which I will include with my
7 statement for the record. Lastly, ID
8 stakeholders all entered the national ID
9 planning process with one major goal in mind,
10 protecting animal agriculture from a natural
11 or manmade disaster. Some of us, more than
12 others, did so with a great deal of
13 trepidation and caution because of the
14 potential financial and operational burdens
15 that would accompany such an effort. And do
16 this day, many in the marketing sector
17 remains skeptical of and, if not down right
18 opposed, to the NAIS for those very same
19 reasons. Thus, I urge all of us to proceed
20 with great caution before we do something as
21 significant as establishing and managing a
22 private database that will possibly confirm
23 all the worst fears and expectations of those
24 who yet remain unconvinced by the necessity
25 or feasibility of a national animal ID

1 system.

2 MR. ROGERS: Thank you, ma'am. We can go
3 ahead and call upon the next group of folks.
4 Kelly Lovern(ph), Dr. Dennis Hughes, Robert
5 Hertzog, Glenn Slack, Dave Carter and Ken
6 Kelly.

7 MS. LOVERN: Good morning and thank you for
8 the opportunity to be here this morning. My
9 name is Kelly Lovern and I represent the
10 American Farm Bureau Federation on livestock
11 issues. AFBF strongly supports the
12 establishment of the national livestock
13 identification system capable of providing
14 support for animal disease control
15 eradication. Furthermore, we believe that
16 private animal identification systems play a
17 key role in communication with the NAIS, by
18 simplifying the establishment of a single
19 centralized data repository for animal health
20 related information. As USDA pursues of the
21 development of a private sector database to
22 maintain animal movement data as part of the
23 NAIS, we look forward to working with the
24 entire livestock industry to make the
25 privatized database operate as efficiently

1 and effectively as possible. We strongly
2 recommend that an Advisory Board be
3 established to help regulate the animal
4 identification system. The Board should be
5 comprised of producers, processors, animal
6 health authorities and USDA. The Board
7 should continuously evaluate the overall
8 performance of the animal ID system and make
9 recommendations for improvements. As private
10 sector database proposals are reviewed, we
11 ask that serious consideration be reserved
12 for solutions that are brought forward by a
13 coalition representing the entire livestock
14 industry and then address the views concerned
15 with all types of species, including
16 producers, marketers and processors.

17 Industry wide cooperation is crucial if we
18 are to develop a system that is successful on
19 a voluntary basis and in which the industry
20 wants to participate. Further, a private
21 database proposal should meet the following
22 principals. One, centralize the animal
23 health related data and all animals in a
24 single repository. Two, have an oversight
25 structure that would provide for input from

1 industry, as well as pre-delegation of
2 authorities and responsibilities. Three,
3 provide a detailed budget, including the
4 allocation and cost to the industries, states
5 and federal government. Fourth, outline all
6 confidentiality of information in that
7 security is to be ensured. Five would be an
8 implementation plan, which includes benchmark
9 dates for the system to be partially and
10 fully operational and voluntary participation
11 targets. And six, identify specific training
12 and education programs, which will be made
13 available to producers. In addition to these
14 minimum requirements, the USDA should also
15 ensure the private sector database will be
16 internationally recognized by our trading
17 partners. Aside from these questions about
18 the development of a private sector database
19 as a component of the NAIS, Farm Bureau
20 believes there are four key issues that must
21 be addressed in order to ensure the producer
22 acceptance of the animal ID system,
23 regardless of how the database is maintained.
24 Those key issues are the cost of the system
25 and who will pay for it. Ensuring

1 confidentiality of data submitted by
2 producers, protecting producers from undue
3 liability and providing sufficient education
4 information. Of these, confidentiality is
5 probably the single greatest issue of concern
6 for our members. We understand that a
7 private database will not be exempt from the
8 Freedom of Information Act. If the USDA has
9 24/7/365 access, or if the program becomes
10 mandatory in 2009, as the USDA had originally
11 envisioned. Therefore, confidentiality
12 legislation must be a key component and
13 primary goal for any private database
14 conception. Thank you for the opportunity to
15 share our views with you this morning.

16 MR. ROGERS: Thank you, ma'am. Dr. Hughes.

17 DR. HUGHES: Good morning. My name is Dr.
18 Dennis Hughes. I'm a state veterinarian for
19 Nebraska. I'd like to thank John Clifford
20 and members here for the opportunity to
21 speak. I'd like to share a story, a true
22 story that occurred just eleven days ago.
23 It's Friday afternoon, it's 4:30. A call
24 comes in and he had a group of cattle in
25 Scottville County that has some single

1 lesions. We've got 18 out of 28 head that
2 are showing classic symptoms of foot and
3 mouth disease. Typically, it's a Friday
4 afternoon. That's when these things happens,
5 right? 15 minutes later, we get another
6 call. We've got a horse with single lesions.
7 Half hour later, we got another group of
8 cattle called in with lesions. Fast forward
9 to 2009 and we're looking at our concerns, as
10 state veterinarians, of tracking. Quite
11 honestly, I'm a little skeptical of that
12 ability to get traceability in 48 hours. If
13 it happens on a Friday afternoon late, I
14 don't want the information next week. I
15 don't want the information Monday morning. I
16 need the information now. Traceability has
17 been the foundation, the whole reason why
18 we're doing this process. If a privatized
19 database can do this, then I'm all for it,
20 but we have needs and concerns in the states
21 that definitely need to be addressed. I
22 understand the reasons for Secretary Johanns'
23 decision. As our former Governor of
24 Nebraska, he's a fiscal conservative and so I
25 understand where he's coming from, as far as

1 funding. Confidentiality issue has to be
2 addressed and security issues. I would just
3 like to finish with our concerns, again, that
4 when we come to traceability, we need it
5 quickly. Sometimes 48 hours is too long.

6 MR. ROGERS: Thank you, sir. Robert Hertzog.

7 DR. HERTZOG: I'm Dr. Bob Hertzog and I serve
8 as Chairman of the Board of the American
9 Medical Association. I'm in private
10 practice. If I say that, in the private
11 practice we have, we treat all species and
12 deal with all species of animals. And I
13 think this is vitally important that we look
14 at the overall picture of this. As we look
15 at animal health and traceability and
16 certainly, I think the private practice
17 veterinarians have to be very involved. Over
18 75% of our veterinarians in the United States
19 yet are still in the private practice, so
20 I'll like to restate that on behalf of the
21 AVMA. On behalf of more than 72,000 member
22 veterinarians representing more than 80% of
23 all veterinarians in the United States, the
24 American Veterinarian Medical Association is
25 pleased to provide comment on national ID

1 system. The AVMA has been involved with the
2 national ID system in the past with the U.S.
3 animal identification working group. In
4 2003, the AVMA supported and endorsed the
5 animal ID identification plan of Resolution
6 19 with a notation recommending that the plan
7 should also be extended to serve as a safety
8 management tool. Subsequent to the creation
9 of the 2003 AVMA position statement endorsing
10 the USDA animal identification plan, the
11 system was changed to the national ID system.
12 There's also been a policy change by the U.S.
13 Secretary of Agriculture to allow the system
14 to be developed and operated by private
15 industry instead of the USDA. This causes
16 concern for us because of possible lack of
17 access to the database by animal and health
18 officials, increased cost to animal
19 producers, which could be prohibitly
20 expensive for small producers and a lessening
21 gain for the shareholders. The AVMA position
22 statements are crafted and proposed to the
23 Executive Board by the appropriate
24 representatives. The AVMA in this instance
25 is the animal agriculture liaison committee

1 that's composed of 34 people representing all
2 segments of the animal industry. In
3 preparing this statement to the Executive
4 Board, and with the support of the AVMA
5 Council on Veterinarian Services, this will
6 be reviewed and voted on at the November
7 meeting of the Executive Board of the AVMA.
8 The following recommendations, if approved,
9 would become the AVMA's official position on
10 the animal identification system. The
11 American Veterinarian Medical Association
12 supports an effective animal ID system that
13 contains the following key elements. One,
14 the database is accessible 24 hours a day,
15 seven days a week, by animal health
16 officials. Number two, the system does not
17 detach from effective implementation. Number
18 three, the system was workable for all
19 producers of all sizes. Number four,
20 implementation engages all shareholders in
21 providing input to the subcommittee on the
22 Animal Secretary Advisory Committee on
23 foreign animal disease and all of the
24 designated posters. With that having been
25 said, I would just say that I think it's

1 imperative that those veterinarians in
2 private practice, and they certainly should
3 be involved very much in the implementation
4 of this program and an effective carrying out
5 of the program as we deal with animal health
6 problems throughout the United States. Thank
7 you for allowing me to make this
8 presentation.

9 MR. ROGERS: Thank you, sir. Mr. Glenn Sack,
10 Slack, excuse me. We'll get back to him in
11 just a minute. Mr. Dave Carter.

12 MR. CARTER: Good morning. I'm Dave Carter.
13 I'm the Executive Director of the National
14 Bison Association, an organization
15 representing 1300 independent bison ranchers,
16 processors and marketers in all 50 states.
17 The U.S. bison industry has been working over
18 the last several years, on voluntary animal
19 identification within our industry. And in
20 fact, we've developed the protocols in 2003
21 and got acceptance from the USDA to
22 administer a process verification program
23 that allows us to market our target animals
24 that can be source verified, as well as the
25 verification of other attributes concerning

1 hormones and antibodies. When administering
2 that voluntary program, we have experienced
3 the cost, the complexity and the concerns
4 that producers have with confidentiality,
5 excuse my illiteration there, over the
6 administration of any type of animal
7 identification program. If we bring those
8 forward as we began to get involved in with
9 the U.S. animal ID program. We think that
10 it's very important to recognize that the
11 U.S. animal ID program is a program that's
12 being developed and being implemented for the
13 public good, as far as to provide the public
14 with assurance of health and safety, and in
15 some respects, even national security. So we
16 think it's paramount that the public provide
17 the cost and bears the cost of administering
18 that program. One of the things with our
19 voluntary program is that it's extremely
20 expensive for producers and we're constantly
21 thinking of ways to make it more operational,
22 more feasible for those producers. And we're
23 very concerned that the cost of a national
24 animal ID program rests on the shoulders of
25 producers that it's going to be another

1 unbearable cost for the industry, not only
2 bison, but other sectors of livestock
3 industry that also are already strained under
4 a lot of costs. Following the Secretary's
5 announcement of a privately held database, we
6 have been working with a group that has been
7 developing that. We want to be one of the
8 stakeholders, being in my industry, we
9 recognize that we meet here at the table
10 early, but we want to make sure that however
11 this program is administered that there are
12 really three things that are brought before
13 us. Number one, as I've mentioned, is the
14 cost of the program. It has to be
15 affordable. Number two, is the
16 confidentiality. And number three, from our
17 perspective, we want to make sure that in the
18 administration, the implementation, and in
19 the oversight, that all species, including
20 minor species such as bison, are at the
21 table. We have some unique animal handling
22 and animal health issues within our industry
23 that can't be covered just with a blanket
24 program that is particularly for cattle. And
25 so we need to make sure that minor species,

1 such as bison and the others have the chance
2 to really amp this program. Thank you very
3 much.

4 MR. ROGERS: Thank you, sir. Mr. Ken Kelly.

5 MR. KELLY: Good morning. My name is Ken
6 Kelly and I represent Center for Science in
7 the Public Interest, which there are over
8 500,000 members in the U.S. and Canada. CSPI
9 has been working on the national animal
10 identification system for a long time now.
11 We've had an opportunity to sit down with the
12 Secretary of Agriculture and shortly after
13 the announcement of the first case of BSE,
14 and we encouraged her to do something about
15 it. And she subsequently came out with a
16 plan to plan a system for animal
17 identification. Since then, we've
18 aggressively talked with leaders of Congress
19 in cattle producing states to get their feel
20 on it and in current, a lot of those concerns
21 are at issue today as it relates to cost and
22 confidentiality. The CSPI believes that
23 mandatory national animal identification
24 system is needed now and not later. In order
25 to quickly and accurately identify

1 potentially infected cows, this system needs
2 to be adopted as soon as possible. And under
3 this system, no animal should be able to be
4 transported or sold without identifying
5 information as to place of its origin. Also,
6 increase on an animal tracking key points on
7 the agricultural production chain. For
8 example, the slaughter plant - now, a
9 national identification system is also for
10 other reasons in addition to BSE, but also
11 for foot and mouth disease and also in case
12 of a bioterrorist attack. For example, just
13 before he left office, Secretary of Health
14 and Human Services called me and saying that
15 the U.S. food supply is vulnerable to
16 terrorist attack. In a 2003 report on
17 homeland security, Secretary Davis(ph) cited
18 agricultural production, the USDA's top
19 priority for protecting our country from a
20 potential attack. And without a mandatory
21 animal identification system, it's nearly
22 impossible for the USDA to monitor and secure
23 our food source in that respect. But even
24 more important, to let you know, that other
25 countries have taken a lead on this issue.

1 In response to animals in South Britain,
2 spoke to the British government and the
3 European Commission have instituted a
4 mandatory animal identification tracking
5 systems. The British system has been in
6 place since 1998 and can trace cattle in a
7 matter of minutes using this central
8 database. Other countries, like Australia
9 and Canada, have animal identification
10 systems in place. USDA should take and make
11 this tracking animal identification program
12 mandatory and accelerate its implementation.
13 We need this now, not only to protect animal
14 health, but also human health. On the flip
15 side of that, it also, it also would ensure
16 economics. I've had an opportunity to meet
17 with two different delegations from Japan
18 this past year, and the very first question
19 they even ask me is, why should I have an
20 animal identification system in place now, a
21 uniform system in place now. And I'm hard
22 pressed to give them an answer because I've
23 been in support of the USDA, I've been on the
24 hill lobbying for more resources, so that you
25 can put something in place. And so I urge

1 you to continue to move forward on this issue
2 and get something on the ground and I hope it
3 arrives as soon as possible. Thank you.

4 MR. ROGERS: Thank you, sir. Glenn Slack.

5 MR. SLACK: Good morning. My name is Glenn
6 Slack and I serve as the President and Chief
7 Executive Officer of the National Institute
8 for Animal Agriculture. I would like to
9 provide you with some results of a survey we
10 conducted in 2005 hosted by the NIAA only two
11 weeks ago. The survey was administered
12 electronically, both NIAA members, as well as
13 individuals who attended the expo, comprising
14 a total survey pool of 891 individuals. Of
15 this number, NIAA received 198 responses for
16 a 23% response rate. I will submit the
17 results for all 23 questions that were posed
18 in the survey in my written comments to the
19 agency, but today I will focus on a couple of
20 questions that are pertinent to today's
21 gathering. In addition to the survey
22 results, I will be submitting a list of over
23 100 questions to the agency that were posed
24 by individual attendees on topics related to
25 privatizing the ID database and other related

1 issues. I urge the agency to consider these
2 questions as a representative of the industry
3 at large and, as such, provide substantive
4 answers and disseminate throughout the
5 industry and through the trade media. Now,
6 returning to the survey. Again, I'm just
7 going to highlight a couple of questions of
8 significance. One of interest, which do you
9 support regarding the voluntary or mandatory
10 animal identification program. 90%, this is
11 certainly something that has climbed in the
12 past years since we surveyed a year, some
13 year to 18 months ago, 90% of respondents
14 support a program that is either mandatory
15 from the outset, mandatory as soon as
16 possible following the developmental stages,
17 or mandatory by 2009, as was laid out in the
18 strategic plan. Only 7% support a completely
19 voluntary program. Another question of
20 interest, the timeline in which USDA is
21 pursuing that implementation is, 48% percent
22 of respondents indicated that USDA is
23 pursuing mass implementation in an adequately
24 aggressive manner, 40% indicated a somewhat
25 or very unaggressive timeline and only 12%

1 indicated a highly or highly aggressive or
2 too aggressive timeline. And then
3 specifically related to today, question 16
4 was posed. The USDA recently announced that
5 they are charging private industry to develop
6 consortium to manage central privatized
7 animal tracking database. Do you agree this
8 is the appropriate course of action at this
9 time? 56% respondents either agree or
10 strongly disagree with this course of action,
11 while 25% agree or strongly disagree, 18%
12 were unsure or had no opinion. And then the
13 other question I think of significance for
14 today, USDA has scheduled a stakeholders
15 meeting for October 12th to allow industry to
16 step into the role of developing a private
17 tracking database. Which approach do you
18 feel would best allow industry stakeholders
19 to move forward in a timely manner? 12% of
20 respondents favor adopting the current
21 consortium concept being proposed by the
22 USDA. Another 12% of respondents want to sit
23 and wait hoping the USDA will resume
24 responsibility for the database, 13%
25 preferred to allow that each species to

1 pursue a private tracking system, 14% want to
2 start from scratch on an industry initiative
3 and rely on all stakeholders to participate
4 in reaching an effective solution, and 40%
5 would like to see an approach similar to the
6 2002 national animal ID task force to
7 coordinate a consortium that will develop an
8 effective solution. As stated, I will submit
9 the full survey poll results to the agency in
10 my written comments in hopes that they will
11 be considered from the broad depths of all
12 the stuff that they come from. Thank you.

13 MR. ROGERS: Thank you, sir. I want to thank
14 everyone who signed up to make comments
15 today, regardless of the mispronunciation of
16 your name. At this point, I'm going to check
17 to see if we have any comment or do we want
18 to move right to Q&A.

19 DR. CLIFFORD: Let me make a few comments.
20 Before we move to Q&A, I see all my comments
21 last year. Basically, I would like to
22 address a number of the issues that came up
23 from the commentors. Again, I want to thank
24 everybody for their comments. I really
25 appreciate everybody's openness and honesty

1 here today. I want to clarify, I've got a
2 long list here and I'm just going to go down
3 my list, so they're not in order. To begin
4 with, We'll talk about the memorandum of
5 understanding. Memorandum of understanding,
6 I talked about a little bit. Let me explain
7 what I mean. We're working to enter into a
8 memorandum of understanding with one legal
9 entity. We really did not want to have to
10 enter into MOU's with multiple groups and
11 organizations. This is what we would like.
12 It doesn't mean that will be the end result,
13 as many of you know here today. So the
14 federal government would enter into an MOU,
15 which would basically address the needs for
16 the federal and state for the use of this
17 system and we would lay out those needs.
18 Now, there would be additional needs from the
19 states to enter into MOU with that legal
20 entity for those states that we want access
21 for purposes other than what the federal,
22 state together would have needs for. So they
23 would, the states would address those on an
24 individual basis and it would be up to the
25 states and that legal entity to come to

1 agreement or not on those issues. For
2 example, what we talked about earlier, a
3 common need from state and federal would be
4 for purposes of foreign animal disease.
5 People talked about the bli state disease and
6 the organizations for animal health, the OIE.
7 Actually, we don't refer to those as bli
8 state anymore, but most people understand
9 what bli state diseases are, diseases like
10 foot and mouth disease, classical swine
11 fever, African swine fever, exotic Newcastle
12 disease and so forth. They would be for
13 animal disease as emergencies as determined
14 by the Secretary of Agriculture and the State
15 Department of Agriculture. They need for
16 trace back and trace forward for program
17 diseases, both at the state and federal
18 levels. They need to conduct surveillance
19 for other domestic or emerging disease. I
20 want to add one thing that we would add to
21 that list. Basically, as been mentioned,
22 this came to light as a result of Katrina, is
23 the issues of lost animals or even just theft
24 of animals, to be able to identify animal
25 sources. We felt there was a good common

1 need for all. Also, relative to compliance
2 issues for program diseases. Other things
3 that the state may want to do, as many of you
4 know, the states enter into agreements with
5 the Food and Drug Administration to do
6 residue trace backs. APHIS is not involved
7 in that aspect. We would not enter into that
8 MOU, but that's where the states, themselves,
9 may want to enter into an MOU with that legal
10 entity. So I wanted to clarify those points.
11 Funding, as I mentioned in my talk, we had 18
12 million dollars from the Commodity Credit
13 Corporation, which is where we get funding
14 for emergency type use. In addition, we've
15 had 33 million dollars a year funded for
16 animal ID beginning this year. We have 33
17 million dollars that the President has
18 requested it in '06. And as we are though,
19 we're dealing with tight budgets, that 33
20 million dollars will continue to support
21 animal ID and the implementation of NAIS, but
22 its focus will be on premises registration
23 and the implementation of AIN. It will not
24 be used to fund animal tracking in '06 for
25 purposes of the states' development of their

1 databases or for the private sector. So if
2 the state chooses to do that, they would have
3 to do it at their own cost. The
4 confidentiality issue, we all agree that we
5 need confidentiality. The USDA understands
6 this. We still want that issue addressed, as
7 well. So I think most everybody is with
8 regards to understanding the needs there.
9 How will the consortium, itself, with legal
10 entities be formed? I think you've had some
11 suggestions here and I think that's where the
12 industry needs to meet, through the board,
13 through the private sector, you need to
14 decide how you're going to form that legal
15 entity or consortium and how it's going to be
16 funded and how the private system will be
17 funded. Federal and government will be there
18 to provide any facilitation or requests that
19 you need. We are going to be there to set
20 standards that we have for the system and the
21 needs that we have for the system. We will
22 continue to look forward to working with you
23 on that issue. How it's funded it's going to
24 have to be determined by the private sector.
25 The issue of voluntary versus mandatory has

1 come up. I think, you know, we put out our
2 thinking paper for comments. The issue of
3 mandatory, what sectors are mandatory is
4 still under discussion within the department
5 as to when and what parts. And as soon as
6 those decisions have been made, we'll make
7 that publicly known to you, as we should. I
8 think everybody, I hope, recognizes the need
9 for building a good solid foundation before
10 you move to a mandatory system. And from the
11 very beginning of the NAIS system, the first
12 foundation block that you wanted to lay was
13 premises registration, and that's on track
14 and we need to continue to move. The second
15 part is the implementation of the data in.
16 And the third part was the animal tracking.
17 So I still think that there's been some
18 progress made and we continue to make this
19 progress on this program. Our efforts from
20 the federal side and state side, for the
21 short term, are going to be our focus is to
22 get premises registration fully implemented
23 and get premises registered and AIN numbers
24 implemented and available. One of the
25 speakers talked about removal of tags. If

1 it's not in our regulations yet, it will be.
2 With regards to prepondent(ph) and it may
3 already be there, then it's not legal to
4 remove official ear tags. This is something
5 we've discussed for a long time and I can
6 assure you that, you know, APHIS, I think,
7 has a long history of working with the
8 industry with regards to education of
9 producers and that's what we want to do
10 first. I don't want to be heavy handed, but
11 people need to understand the issues of
12 removing official ear tags and the problems
13 that exist. There's no value in having them
14 there if you're going to remove them. So I
15 will support a warning, if there's no disease
16 spread, one warning, and then I will use the
17 maximum capacity allowed to go after anybody
18 else after that. And I can assure you that
19 the Animal Health Protection Act, the fines
20 and penalties allowed into that Act would be
21 very substantial. There's no reason to
22 implement a program like this at a cost to an
23 individual producer if someone else is just
24 going to remove it in a matter of minutes.
25 What does it mean for the USDA to be

1 technology neutral? It means just that. We
2 are technology neutral. However, as I've
3 said, it makes sense. You've got to have
4 uniformity. You've got to have, otherwise,
5 the cost to markets, to producers, to feel
6 that infrastructure is going to be
7 significant. So we have a system that I've
8 laid out for you on how that will work.
9 Performance standards will be set. Those
10 standards need to be set by you, the industry
11 and markets. And those performance standards
12 will be addressed to the working groups.
13 That information will be passed up through
14 the working groups to the Secretary, or to
15 the subcommittee, the NAIS subcommittee.
16 They will consider those and then pass those
17 forward to a full committee and then for
18 consideration from the full committee, if
19 they're passed to the full committee, to the
20 Secretary of APHIS for consideration. That's
21 how the technology issue works. Talk about
22 industry outreach. You've got to agree that,
23 you know, there needs to be outreach. We
24 have an outreach program, actually, our
25 legislative group is, has a big

1 responsibility of taking that on, and I think
2 they've done a very good job thus far, but
3 will continue to work on that effort, as
4 well, but that is a critical component. It's
5 also a part of the cooperative agreements.
6 Summarize, the pilot projects, I think there
7 was a report out at the ID Expo that the NIAA
8 had that addressed the problem projects and I
9 would suspect that that would be in your
10 proceedings, as well, correct, that
11 information?

12 UNKNOWN SPEAKER: Yes, sir.

13 DR. CLIFFORD: So I think that information is
14 available. It's out there and it's something
15 we all need to build on and use. Tools were
16 mentioned here. APHIS is not involved with
17 the pool. That is through AG Marketing
18 Service through that part of USDA, so while I
19 hear your message, APHIS would not be
20 involved in the implementation of the pool.
21 That's through another part of USDA.

22 Training is a critical component with regard
23 to this issue of animal ID. It's been
24 mentioned about being private versus public
25 with regards to trade issues and trust. I

1 think trust is always an issue when you look
2 into trade issues. However, I just noticed
3 that we talked about it needing to be in
4 public hands for that purpose. Canada's
5 system is private, as well as, I think
6 Australia's system is private. There's other
7 private systems out there that's trusted and
8 utilized in international trade, so I think
9 both ways can work. So it's not that one
10 versus the other override any more
11 credibility. I think the issue, true issue,
12 with regards to credibility is does it work.
13 Does it do what it says it does? Does it get
14 us back at a timely fashion to the source of
15 the concerned issue. This year, it's come up
16 a lot about all the state's rights issue.
17 The states, themselves, determine internal to
18 their state. That is the state's rights.
19 Intrastate movement, within their states,
20 with regards to those issues of traceability
21 and tracking. The federal government's role
22 is in interstate commerce and international
23 commerce, so states are a very critical
24 component to this. And determining whether
25 they're going to track that data themselves

1 or whether they're going to work with the
2 private sector to track that data within
3 their states. And those are decisions that
4 are going to have to be made by the states
5 and by you working with the states. Also,
6 with regards to legal entity. If we have,
7 hopefully, one legal entity, we want it to
8 represent all species groups and not be
9 exclusive of any. We want it to be inclusive
10 as well as inclusive of all those groups that
11 are affected by the ID programs. That's kind
12 of the list I've got. With that, Jim?

13 MR. ROGERS: All right. If you look to the
14 left and right on either side of the room
15 there are microphones in place. If you have
16 a question, please come up to the microphone
17 and I'll just be calling in order around the
18 room. If you want, you can also come to the
19 center podium, as well. Please try to keep
20 your questions as understandable as possible.
21 What we're going to do is we'll allow a
22 question to be asked and then one follow-up
23 from the person who asked the question, after
24 our response is given, before we move on. So
25 please, if you have a question, move to the

1 microphones. If not, it's going to be an
2 early day. All right, sir, please.

3 MR. MUNGLE: Is it on?

4 MR. ROGERS: Yes, sir.

5 MR. MUNGLE: Mason Mungle, Oklahoma. I was
6 wondering if it's a voluntary system and I
7 opt out to tag my animals, then how do you
8 have that 48 hour trace back?

9 DR. CLIFFORD: I'll also continue with the
10 gentlemen here on the table and staff to also
11 add to anything I say, please feel free to do
12 so. As long as the program is voluntary,
13 you're not going to have - well, let me back
14 up. I'm not going to say it that way.
15 Sorry. Scratch that. As long as you don't
16 have the entire components of the program
17 fully implemented, at least you have a large
18 portion of the tracking data, a large portion
19 of the premises registered and a large portion
20 of the AIN, you're not going to have 48 hour
21 traceability. You've got to have that. 48
22 hour traceability is a long term goal. There
23 never was a short term goal. It always had
24 long term goals. If you look at the paper,
25 you're looking at 2009 and 2010. It's still

1 a long term goal. Our short term goals that
2 we want to focus on from the federal side is
3 getting the premises to register. That's the
4 first key component. The second, when you
5 get the AIN out there. We are considering
6 those components, as well, as to whether
7 these should be voluntary or mandatory.
8 Those two components. Also, in order, before
9 you get to the cattle, you got to build a
10 Chevy. We think the Chevy is something like
11 trying to build that for AIN and maybe
12 collection of data on the collection of that
13 idea in the back end. So all those things
14 we're considering. So we're not looking for
15 48 hour traceability in the short term. What
16 we're trying to do in the short term is to
17 build a good foundation that will get us
18 there.

19 MR. ROGERS: Yes, ma'am.

20 MS. ROBINSON: I've got several questions, but
21 I'll make sure everybody else gets the answer
22 before I proceed here.

23 MR. ROGERS: Please give your name and your
24 affiliation, please?

25 MS. ROBINSON: I'm sorry. Nancy Robinson.

1 Livestock Marketing Association. Dr.
2 Clifford, can you give us a specific example
3 where a memorandum of understanding has been
4 used in the past to establish a contract with
5 a private entity to carry out specific
6 services for the federal government?
7 DR. CLIFFORD: We've used, the MOU used and
8 cooperative agreements both are things that
9 we use commonly. When you were saying
10 private sector, nothing comes to the top of
11 my head right off, but I know we've used it
12 before. I mean, I could probably research it
13 for you, but it's a common document that
14 we've used.
15 MS. ROBINSON: Well, I understand that, having
16 been with the USDA at one time, I know that
17 MOU's are used widely within the government
18 and among the agencies, whatever, but I
19 don't, and they may exist, those kinds of
20 contracts or MOU's for the private sector,
21 but I was just curious. If those do exist,
22 how they were established legally with the
23 federal government?
24 DR. CLIFFORD: Well, I mean, there is, from a
25 legal standpoint, the concept of using the

1 MOU actually came from our legal counsel
2 recommending that we enter into an MOU, so
3 that's something they've already considered.
4 And I know that, I know they've been used,
5 Nancy. I can't think of one right off the
6 top of my head, but I know they've been used.
7 MR. ROGERS: Thank you, sir. Sir?
8 MR. WILSON: Gary Wilson from the Harvard
9 Department of Agriculture. Dr. Clifford, you
10 mentioned in your comments that we, at the
11 state, and you, at the federal level, the use
12 of federal funds would not be used for
13 establishing a database. What about, you
14 know, quite frankly, at the end of the day,
15 and Dave has stated, and anybody can collect
16 this, or anybody can manage the data, it's
17 the collection of the data that gets
18 difficult. Is there going to be restrictions
19 for the states through your cooperative
20 agreements, that we would not be able to use
21 the federal monies to help build
22 infrastructure to collect the data within our
23 respective states?
24 DR. CLIFFORD: As of right now, the 33 million
25 dollars that we use for and future monies put

1 out in '06 would not be used for animal
2 tracking movements by the states or private
3 sector. So the answer to your question is,
4 no, the funding will not be available to
5 states for animal tracking or to build that
6 infrastructure.

7 MR. WILSON: And you said that was for '06?

8 DR. CLIFFORD: That's correct.

9 MR. ROGERS: Sir?

10 MR. MEYER: John Meyer. Holstein Association,
11 U.S.A. Dr. Clifford, earlier today, I think
12 you mentioned that there were 126,800
13 premises registered at this time. Can you
14 tell me what percentage of the animal
15 premises in this country that represents?

16 DR. CLIFFORD: The estimates I've been given
17 are around 2.2 million. Is that correct?

18 MR. WIEMERS: Yeah.

19 DR. CLIFFORD: So it's about, you said 6%.
20 That 2.2 million, that is a number we've
21 gotten from NASS. Right? The National-

22 MR. WIEMERS: (Inaudible).

23 DR. CLIFFORD: Right.

24 MR. WIEMERS: But there's some overlap there,
25 not--

1 DR. CLIFFORD: And that, you know, that's just
2 an estimate. I doubt also that it would
3 include a number of things and issues that we
4 all will deal with like we dealt with in the
5 exotic Newcastle disease in California with
6 the population of backyard herds.

7 MR. ROGERS: Sir?

8 MR. EPPERLY: Albert Epperly with the
9 Livestock Market Association and I'll throw
10 this out on the table of questions. I think
11 a lot of the questions that I'm hearing and
12 discussions that I've had center around the
13 central database. And don't confuse me with
14 a computer technician or anybody that knows
15 anything about it.

16 DR. CLIFFORD: Me neither.

17 MR. EPPERLY: But in my discussions, and I
18 have a son that's in school at Virginia Tech,
19 but soon to be a national football champion.
20 (Laughter)

21 MR. EPPERLY: He's an engineer student and he
22 had some discussions, of course, based on how
23 our discussions about the way central
24 database would work as opposed to multiple
25 databases. And in his discussions with the

1 computer guys at Virginia Tech, they
2 indicated to him that actually it's the same
3 way a group who work from multiple databases
4 that they could do, for example, my
5 information, being an Angus breeder, would go
6 to the American Angus Association database.
7 And that in turn for the USDA go to the Ellie
8 Mae, the NCBA, the American Angus
9 Association, and be a much more efficient
10 search through those multiple databases. And
11 I understand your questions awhile ago, or
12 your comment about not wanting to enter into
13 an MOU with several different data collection
14 services and those kinds of things. But it
15 seems to me that one of the fights and one of
16 the hindrances to this system is going to be
17 the discussion or the debate about this
18 central database. If we could have a much
19 more efficient system, or maybe just as
20 equally an efficient system, the searching
21 across the multiple databases, wouldn't that
22 move this process along a lot quicker than
23 trying to force the American Angus
24 Association, whoever, to contribute
25 information to the central database?

1 DR. CLIFFORD: Actually, I was concerned about
2 this topic of discussion getting down into
3 the weeds with regard to the databases
4 because - actually I did bring an IT person
5 along, but he's not over here at the table,
6 but regardless, I'll try to answer this
7 without Steve being up here. You can come
8 up, Steve, in case I need you. But I think
9 the issue for us, and if you go back to my
10 talk this morning, and actually that was a
11 change we made after the expo meeting, it
12 says that it's critical that the USDA access
13 the privately maintained data through one
14 interface or portal. In other words, if
15 you're going out to many different systems,
16 we want the private sector to provide that
17 methodology to get there.

18 MR. EPPERLY: It's my understanding, and
19 again, I don't want to get confused, so
20 somebody else will have to answer this
21 technical question, but my understanding is
22 that that is not an impossible task and it's
23 probably a relatively easy task for your
24 computer technician to set up.

25 DR. CLIFFORD: It's also my understanding it

1 can become a little more costly. Also,
2 though, in doing that, don't forget, it's
3 going to, I mean, there's other costs based
4 on that, as well, because then we have to go
5 out and certify more systems to make sure
6 that they're functioning the way they're
7 supposed to be and doing things that they're
8 supposed to do.

9 MR. EPPERLY: I can appreciate that. I guess
10 the question in a lot of our minds is if
11 we're not dealing with cost or anything at
12 this point, specific cost of anything, so
13 every time you talk about costs, we say,
14 well, what's it cost in the original plan, so
15 what's it cost to change it.

16 DR. CLIFFORD: Right. That's why we said that
17 the industry, itself, needs to come up with
18 some of these solutions. And if the industry
19 wants to provide us an interface or a portal
20 that links to those databases, that's a
21 solution.

22 MR. ROGERS: Yes, sir.

23 MR. MUNGLE: Yes. Maybe one of the answers to
24 Nancy's question over there would be
25 Halliburton. But my additional question

1 would be what the--

2 (Laughter)

3 MR. MUNGLE: Well, anyway, my question, my
4 additional question would be what the rules,
5 the legislation that is in the works now that
6 would protect my liability if I've tagged and
7 nobody else scans until they reach the
8 slaughter facilities?

9 DR. CLIFFORD: From our perspective, I don't
10 know that there's any rules in place that
11 would protect your liability from the USDA
12 side. I don't know that that's - do you guys
13 know anything?

14 MR. WIEMERS: You've got to go to Congress to
15 work this out eventually for issues with no
16 regulations.

17 DR. CLIFFORD: We all know we can be sued for
18 anything. I mean, so I mean, liability is
19 something you're never going to just totally
20 cover. I think those issues always going to
21 be there someday and I think I'm willing to
22 discuss the concerns and try to bring our
23 legal counsel and then our general counsel
24 into those discussions to look for
25 recommendations and solutions that would help

1 address some of those issues, but I don't
2 know that you're ever going to fully address
3 them all because you can't.

4 MR. MUNGLE: Well, I protect myself by buying
5 insurance on my car, on my land, on my home.
6 Certainly, that insurance protects me. But
7 in this case, I'm not sure that insurance is
8 out there that's readily available to protect
9 me in that form.

10 DR. CLIFFORD: Well, let's look at this from
11 an animal health perspective. When we talk
12 about liability from an animal health
13 perspective and then actually you mentioned
14 foot and mouth disease. When you look at
15 foot and mouth disease, whether somebody
16 else, whether we get back to you in the
17 beginning or not and select two bookends, if
18 you have the back end and the front end and
19 you try to connect the dots, if you don't
20 have all the tracking information in between,
21 you know, if your animal has foot and mouth
22 disease and we go back into your premises and
23 your cattle don't have foot and mouth
24 disease, you're not the source. That's
25 pretty easy to determine with foot and mouth

1 disease. As a matter of fact, it's very
2 easy. Because, in fact, if you were the
3 source, you're going to have more than one
4 animal that's going to have that disease.
5 Now, the issues come, and they're more
6 difficult with other types of diseases, okay,
7 BSE, even TB. On diseases that are long
8 incubating type disease where you may find
9 one or two animals, those are more difficult
10 type issues to sometime to address. That's
11 why, not so much on BSE, but more so on 48
12 hour traceability. The purpose of time is
13 critical for diseases of highly contagious
14 and infectious agents that we need to quickly
15 address in order to get all contact animals
16 found right away before they continue to
17 spread diseases. Now, accurate 100%
18 traceability, if you can ever reach that, is
19 critical to long incubating type diseases, so
20 that you can still find those exposed animals
21 and try to determine whether they're
22 infectious or not, so that you can prevent
23 the spread, the continual spread of that
24 disease like TB.
25 MR. MUNGLE: I guess we can't afford 48 hours

1 in foot and mouth because it would be
2 decimating to the herd.

3 DR. CLIFFORD: 48 hours could be decimating in
4 foot and mouth, in situations, absolutely.
5 We need it fast and quick.

6 MR. ROGERS: Yes, sir.

7 MR. ORTEGA: So the comment on a broader
8 portal basis is actually the right way to do
9 it, but would you consider, you know,
10 possibly having the equivalent of USDA
11 certification and vendors that want to be
12 able to build interfaces into your databases.
13 You know, for example, the software that is
14 used all time, Microsoft is accessible, IBM,
15 Oracle, they have certification programs.
16 You know, you go through their requirements
17 and then you get a little stamp that says,
18 you know, IBM certified or Microsoft
19 certified. I mean, the short version - you
20 know, because he does it all the time.

21 DR. CLIFFORD: To get back to your question of
22 whether the USDA can certify those systems.
23 I think that's a normal question because what
24 we're saying is the private sector is going
25 to ask for it, so it seems the private sector

1 could do that system.

2 MR. ORTEGA: But part of what we're looking
3 for is this kind of universal acceptance that
4 this is the right thing to do. And once you
5 move into the private sector, it's going to
6 reflect some vendor's bias because that's how
7 vendors work. That technology vendor is
8 going to have to - that's just how it
9 normally works. Where as the USDA, for a
10 government has to be about scale, is going to
11 retain a somewhat arbitrary, non partisan.
12 Just make it a little bit more creditable--

13 DR. CLIFFORD: You know, I can't commit to
14 that. Something that we - I think it's a
15 valid point. I think it something we need to
16 further discuss, but I think at this point in
17 time, we need the private sector to move
18 forward and try to find solutions and see
19 what direction they're going to go in order
20 for us to make some determinations and
21 further that discussion.

22 MR. ROGERS: Sir, before you sit down, could
23 you give me your name again, please?

24 MR. ORTEGA: Dan Ortega.

25 MR. ROGERS: Thank you. Yes, sir.

1 MR. COLLINS: I'm Fred Collins. I'm with
2 I.B.M. I just wanted to comment a little bit
3 about this centralized database discussion
4 that the individual with the son at Virginia
5 Tech commented about. I also graduated from
6 Virginia Tech. And I definitely am a
7 computer genius myself, but I'll try to keep
8 this at a nontechnical level. The technology
9 that people are describing, you can actually
10 go out and touch these various independent
11 databases by the various, by industry
12 spectrum groups. The technology is called
13 Federated Search for Federated Architecture.
14 There are a number of companies, including
15 I.B.M. that actually sell technology that
16 will allow you to actually have your own
17 individual, cattle databases, your pork
18 databases to meet them as you are today that
19 will actually bring all the information
20 together to be a one federated search. Now,
21 somebody, whether it's the USDA or industry
22 consortium will have to invest a little bit
23 in the infrastructure in order for you to do
24 that. But the technology exists today where
25 you wouldn't have to roll up all the

1 information into a centralized repository and
2 can deal with all those individual
3 connections and all those separate industry
4 databases. And that's a pretty mature
5 technology and a number of companies actually
6 do offer that. So just remember, Federated
7 Architecture and Federated Search would be
8 two different - Google examples that people
9 have used and actually do this and get that
10 instantaneous results of technology does
11 exist today. And if anyone wants to learn
12 more about it, I'd be happy to talk to them.
13 DR. CLIFFORD: Thank you.
14 MR. ROGERS: Thank you. Does anyone else,
15 besides Nancy, have any questions? Yes,
16 ma'am.
17 MS. BAROCHER: Hi. Susan Barocher from the
18 Wisconsin Department of Ag. I'm wondering if
19 you can tell me when the AIN numbers will be
20 released and maybe you can give us a little
21 insight into the reasons for the delay?
22 DR. CLIFFORD: Well, I don't know about the
23 delay part, but do you know approximately
24 when?
25 DR. HAMMERSCHMIDT: Right now, we're working

1 with the, some of the tag manufacturers on
2 releasing the 840 number and the program
3 diseases. The AIN numbers were certain
4 species. We will continue to work with the
5 specie working groups and uphold that per
6 their recommendations. The recommendation
7 from the cattle industry has been well
8 established, those criteria's have been
9 reviewed and are still being discussed on the
10 department level on how to follow, how to
11 implement the authorization of animal
12 identification devices and follow those
13 recommendations. Very specifically,
14 automated data captures requiring the cattle
15 working group report capturing the 840 number
16 as an animal moves by a walk through area at
17 the equivalent of four miles an hour. So we
18 will be establishing applications for vendors
19 to submit their applications based on the
20 recommendations of the cattle working group.
21 That application may also follow the
22 recommendation on technology standards for
23 the cattle working groups plan for 84, 85.
24 So we will be working with the our legal
25 people and finalizing those applications and

1 quickly making those available here in the
2 next several months. The delays, to be real
3 honest, have been, not making excuses, other
4 discussions, I had continued to view the
5 priority at site registration. We continue
6 to look at ways that we can maintain
7 technology neutral through the department
8 level, but yet make sure that we have
9 compatibility and uniformity in the
10 application itself. And most importantly,
11 make sure the technology is carried by the
12 marketplace. We think we're very close at
13 having the due process work through our legal
14 people to make sure we follow the subjects
15 that we covered.

16 MS. BAROCHER: Can you give me an explanation
17 of several months? I mean, are we talking
18 six months, nine months?

19 MR. ROGERS: Before we answer that, I need to
20 see a credit card. Actually, what I'm
21 asking, folks in the back of the room,
22 there's some discussions going on in the
23 overflow room. Yes, sir, I'm looking at you,
24 sir. If you could possibly move further into
25 the overflow room, if anyone needs to discuss

1 anything on the telephone or carry on a
2 conversation. I'm getting some signals from
3 the back that they're not able to hear some
4 of our answers or some of the questions. So
5 if you guys could maybe move back a little
6 bit or hold your conversations until the
7 questioning period stops. Thank you very
8 much. And now, we'll answer your question,
9 ma'am.

10 DR. HAMMERSCHMIDT: We're going to target the
11 next 90 days. There's a lot of contingencies
12 here that go along with that. We also have
13 to have a place to build with tag
14 manufacturers and AIN managers signed up and
15 being a chain on the system and all those
16 kinds of things. So we're looking in the
17 next 90 days.

18 MS. BAROCHER: Thank you.

19 MR. ROGERS: Yes, sir.

20 MR. WYTRICK: I'm Carl Wytrick and I would
21 just like to say, and it's what you've
22 already said, but the main fact is we're kind
23 of ready to go, but we need to get all the,
24 our distributors lined up and we've
25 discussed, a couple of the manufacturers have

1 discussed that and a lot of our distributors
2 aren't set up yet, so we're kind of holding
3 them to bring those 840 numbers out. They
4 could just be floating around here without
5 direction. So to kind of answer her
6 question, we need to have that first, not get
7 the numbers before the cart.

8 MR. ROGERS: Thank you. Yes, ma'am.

9 MS. ZIEGLER: Katy Ziegler, National Farmers
10 Union. Dr. Clifford, you said in your
11 comments just a minute ago that the removal
12 of any ear tags would cause APHIS to use the
13 maximum ability to go after anyone that takes
14 that action. So my question is, what kind of
15 enforcement action or tools does USDA plan to
16 recommend to the industry consortium to use,
17 to ensure compliance? Are producers going to
18 be faced with enforcement from APHIS, from
19 the industry consortium, from consumers?

20 DR. CLIFFORD: No. That action, that action
21 would come from APHIS, itself. When we have
22 knowledge of that, we have investigators to
23 go, and again, you know, we're not trying to
24 be heavy-handed. You know, we want to go out
25 and initially educate producers with that and

1 that's what needs to be done, as well, and
2 the states, state departments of agriculture
3 and livestock out there will be assist, need
4 to assist us in this effort, as well as
5 regards to educating the producer. And if
6 the producer removing the official ear tag,
7 you know, the simplest, you know, first time,
8 tell them not to do that. If they continue,
9 then that's when we would certainly take
10 other action against that individual or
11 individuals in those cases. Because, really,
12 they're just undermining the purpose of that
13 tag and the use of the program. So that's
14 the way that would be working. It's not,
15 we're not going to be getting additional law
16 enforcement people. We'll just take the same
17 actions we do today. We have the enforcement
18 group within APHIS that we would turn those
19 cases over to, they investigate, and then
20 they respond back to us and then they
21 recommend certain actions, as well, as we
22 review those cases.

23 MS. ZIEGLER: So as the development of this
24 consortium moves forward, pending the answers
25 to questions, excuse me, not questions, but

1 answers by APHIS and the department, is there
2 going to be any sort of legal liability or
3 essentially control by this consortium under
4 what you foresee the industry coming together
5 to conduct?

6 DR. CLIFFORD: I think they would have to
7 address that themselves with regards to
8 certain things. We're not, you know, our
9 rules are enforced by us. And then if the
10 states adopt those rules, they would be
11 enforced by the state. We're not looking for
12 this private sector to enforce federal
13 regulation. That's not appropriate in my
14 mind. What we would be looking for with
15 regards to the private sector, with this
16 database, is the, as certain criteria for the
17 database itself and criteria for its use and
18 24/7 access. And that, we would be looking
19 for certain standards within those databases
20 that we would certify those databases for and
21 make sure that they're meeting those
22 standards. We're not looking, that I know
23 of, anything beyond that with the private
24 sector.

25 MR. ROGERS: Sir, did you have question?

1 MR. JVNEK: Doren Jvnek, Kansas Cattleman's
2 Association. In this, only with this legal
3 entity consortium, it was at Chicago animal
4 ID meetings. A lot of our group and a lot of
5 the people that I've talked to comes from
6 this issue as a fact that we formed this
7 legal consortium. There's already been one
8 group that's already went out and dictated
9 some of the choices that should have been
10 made by this consortium group, whether it's
11 seven, nine, 15, whatever it is. Some of the
12 choices of announcements that have been made
13 by service providers are those revokable by
14 the consortium group or is that a decision by
15 the --? There's so many announcements, in my
16 opinion, and people that I represent, those
17 announcements were premature if you're going
18 to have an industry group that all
19 encompassing, why are decisions being made
20 before that group is put together?

21 MR. CLIFFORD: I can't respond to why
22 decisions were being made before. I mean,
23 you're asking the federal government to
24 respond to a private sector's decision and I
25 just can't respond to that. All that I can

1 say is that we're looking to the private
2 sector to come together with a solution and
3 inform our legal entity that we can enter
4 into MOU. We're not out here supporting one
5 group over another group or one system over
6 another system. We're just looking for a
7 solution through the private sector. And I
8 think, you know, there's multiple options out
9 there available.

10 MR. ROGERS: Yes, sir?

11 MR. MILLER: John Miller, Research Management
12 Systems. And I had a question regarding the
13 AIN management, which we've heard is going to
14 stay in USDA control and the animal tracking,
15 which we hear is going to go to private,
16 where one stops and the other one begins?

17 MR. CLIFFORD: Where does one stop and one
18 begin. The AIN number, as it's distributed
19 and that information as to what numbers have
20 been distributed to what premises, will lie
21 within the USDA. When that animal moves,
22 that's a tracking. When it has an event,
23 other than an animal health event, that's
24 tracking and that would lie within the
25 private system or within a state system.

1 MR. MILLER: So federal will still be
2 responsible for tracking that number to the
3 premises it was issued to?
4 DR. CLIFFORD: Yes.
5 MR. ROGERS: Yes, sir?
6 MR. ARMENTROUT: My name is Mark Armentrout.
7 I'm a beef producer and I'm also the Chief
8 Operating Officer of AG in Moline(ph). Dr.
9 Clifford, this shift back to the portal, this
10 is in line with what was demonstrated at the
11 NIAA expo in 2004 and again to the House AG
12 Committee in July of 2004, where district
13 databases could be linked and you would have
14 one point to go to to search those databases
15 and get the information out. So we're saying
16 that's, that's an option that's now back on
17 the table?
18 DR. CLIFFORD: It was an option never to have
19 left the table. We, you know, we, we're
20 setting up here saying this is what we would
21 like. Actually, what we would like is one
22 single database. Period.
23 MR. ARMENTROUT: Okay.
24 DR. CLIFFORD: To go to with all the
25 information.

1 MR. ARMENTROUT: Okay.

2 DR. CLIFFORD: That's what we would like, but

3 is that going to be the reality. What I'm

4 saying is, is, you know, either provide that

5 or provide us a portal or a way to get to the

6 information. The decision is not up to us.

7 MR. ARMENTROUT: Okay. All right. Let me ask

8 about other business decisions that need to

9 be reached, such as if we are moving to

10 tracking animal movement, will it be APHIS

11 that makes the business rule of, is a 100%

12 read required, or is that going to be on a

13 state by state basis, or is that just

14 something that needs to come from the species

15 working groups?

16 DR. CLIFFORD: Those are, you're talking about

17 performance standards that would be worked up

18 through the working groups. Is that not

19 correct? Gentlemen? That's performance

20 standards that would be coming forward out of

21 the working groups, to the subcommittee, to

22 the full committee and then to the Secretary

23 of APHIS.

24 MR. ARMENTROUT: Okay. Thank you.

25 MR. ROGERS: Yes, ma'am.

1 MS. SHELF: I'm Sally Shelf. I'm with Pete's
2 staff(ph). My question is, what is the next
3 step going forward from this meeting on the
4 database development? Who is in charge of
5 the next step. And to paraphrase Henry
6 Kissinger, if I want to call the person in
7 charge, who do I call?

8 (Laughter)

9 DR. CLIFFORD: What I'm hoping is, is that
10 those, there's people in this room, somebody
11 needs to step forward and say, look, we need
12 to pull together. In my closing statements,
13 I think people, you know, we need to rally
14 around and focus on the main point in doing
15 this and that's animal health, which we all
16 care about. We need to leave the
17 organizations and everything else tipped over
18 and get this thing done. I understand the
19 cost issues to producers. Just because I'm a
20 federal employee doesn't mean that I'm immune
21 to those types of things, so I think we all
22 need to work together and try to resolve
23 this. This is what we've been given. We
24 need to make it work. We need to come
25 together to do that, so I need people to

1 stand up. I think, I heard some people here
2 today offer recommendations for solutions and
3 I think you're going to find people emerge,
4 at least I hope so, that says that we're
5 willing to take this on, take this task on
6 and bring the groups together. And that's
7 what I'm looking for is leadership from this
8 group and also to be willing to take that
9 effort on.

10 MS. ROBINSON: Hey, Sally, I nominate myself
11 for king.

12 (Laughter)

13 MS. ROBINSON: Okay. It's hard to follow
14 Sally's question because I think that's
15 really the crux of it for a lot of us out
16 there in the country, but here, I've been
17 struggling as we talked about a private
18 consortium, USDA sanctioned or not, whatever,
19 how, on what legal basis is that consortium
20 going to require that entity, I hate to call
21 it a consortium because that's somebody
22 else's term, but this legal, private legal
23 entity going to require that that ID movement
24 information be placed in that, with that,
25 through that entity. I mean, I don't know of

1 any law, any requirement. If it's a private
2 entity, how would we, how do you report any
3 producer, any market, operator, or whatever,
4 to put information into that database?
5 DR. CLIFFORD: It's a voluntary system, so I
6 can't--
7 MS. ROBINSON: But what if it becomes
8 mandatory?
9 DR. CLIFFORD: I don't think it can as a
10 voluntary system. As a mandatory system, I
11 think that your question is an excellent one
12 and something that we're going to need to all
13 of us sit down and figure out.
14 MS. ROBINSON: I think there's some real
15 constitutional questions relative to that
16 that we all better. I realize maybe when the
17 private group comes together and we talk
18 about these things that will be prime on the
19 table, but you know, even for USDA. I mean,
20 do you guys have any kind of legal status to
21 do this? It's a big issue.
22 DR. CLIFFORD: That's a very good question.
23 MR. ROGERS: Does anyone have any further
24 questions or comments? Sir, is there
25 anything that you want to add?

1 DR. CLIFFORD: No more questions. Gee, we're
2 going to get done by noontime. Again, I
3 would just like to thank everybody for coming
4 today, again. As I was saying, when Sally
5 asked her questions, you know, while this job
6 helps keep up my livelihood, I'm not doing it
7 just for my own health. I do it because I
8 love this, I love our organization and I love
9 the people who are serving and I love the
10 animal industry out there. I truly do. I
11 have an animal background myself and I really
12 want us all to come together here and get
13 this thing done. We need a good solid animal
14 ID program. I don't care what the data is.
15 It just needs to work and it needs to work
16 for your benefit, not for mine. It's your
17 livelihood at stake. If we get an
18 introduction of diseases and we've had, as
19 Bob Hillman stood up here, we've had BSE in
20 this country, we've had exotic Newcastle
21 disease in this country, we've had a high-
22 path avian influenza, while it wasn't a
23 critical issue, it was, we've had low path
24 AI, you've got high-path AI in Asia, we
25 continue to have disease outbreaks throughout

1 the world. It's an international market. We
2 need to be on our toes about the defense of
3 this country from an intentional
4 introduction, as well as an unintentional.
5 We need to be ready. And we're not going to
6 be ready until we have an ID system that
7 gives us the authority to effectively trace
8 animals and find the exposed animals. It's
9 just not about the diseased animal, it's
10 about those that are exposed that are costing
11 us millions of dollars, millions. When we go
12 into a herd of dairy cattle and find one TB
13 infected animal and depopulate that entire
14 herd, it is millions of dollars of costs. It
15 don't have to be there if you have an
16 effective program to trace animals. So I
17 just encourage all of us to work together to
18 get this thing accomplished because we can do
19 it. And thank you very much for coming.
20 (Applause)

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